Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

FOREIGN AGRICULTURE CIRCULAR

OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

WFP-1-49

JANUARY 12, 1949

WORLD FOOD SITUATION 1949

LIBRARY
CURRENT SERIAL RECORD
JAN 28 1949
U. S. DEPARTMENT OF AGRICULTURE

THIS CIRCULAR IS A CONTINUATION OF THE WORLD FOOD SUMMARIES WHICH HAVE BEEN ISSUED BY THE OFFICE OF FOREIGN AGRICULTURAL RELATIONS SINCE 1945. IT SUMMARIZES THE FOOD SUPPLY SITUATION IN MAJOR DEFICIT AND SURPLUS PRODUCING AREAS, REVIEWS PRODUCTION AND TRADE OF THE MOST ESSENTIAL FOOD COMMODITIES FOR 1948-49, AND PRESENTS THE OUTLOOK FOR WINTER CROPS IN THE NORTHERN HEMISPHERE.

INDEX TO

WORLD FOOD SITUATION 1948-49

	Page
World Summary	1 - 4
Situation by Countries	
Europe	5 - 12
Soviet Union	13 - 15
Middle East	16
Far East	17 - 27
British Dominions	28 - 31
Latin America	32 - 37
Situation by Commodities	
Cereals	38 - 41
Rice	42 - 45
Sugar	46 - 48
Pulses	49 - 51
Fats and Oils	52 - 54
Milk and Dairy Products	55
Meats	56 - 59
Fish	60

Approved by Outlook and Situation Board
January 10, 1949

WORLD FOOD SITUATION 1948-49

World Summary

A substantial recovery in European food production and continued large crops in North America and Australia have considerably relieved the food shortages of the past three years and supplies of most essential food products are now approximately in balance with demand at current prices. A number of countries, particularly in Europe, have been able to increase rations and remove rationing entirely for some foods, but consumption is still considerably below normal in most food importing countries.

At current levels of consumption much of the increased production of 1948 will be used up before the 1949 harvest and world stocks of many food products to be carried into the 1949-50 consumption year will still be below normal. Therefore, the continuation of a high level of production of most commodities is essential if present levels of consumption are to be maintained.

Unusually favorable weather in nearly all important food producing countries accounted for a large part of the increase in output of food and feed crops in 1948. To maintain the present level of production will require further improvement in the food output of war-torn and politically unstable countries. It is also dependent upon the availability of exchange to deficit food producing countries to finance larger purchases of foods from exporting countries which, in a few instances, are reducing production because of lack of adequate export outlets.

Present indications point to some expansion of acreage devoted to winter food crops for harvest in 1949 and growing conditions for these crops late in 1948 were generally favorable. However, conditions were not as universally favorable as at this time last year since some areas have reported a deficiency of moisture and snow cover. Some further increase in acreage is expected in Europe and the Soviet Union. A record winter wheat acreage has been planted in the United States and another large crop is in prospect. In India and Pakistan some of the lands which could not be planted last summer because of floods are reported to be planted to winter crops and above average acreages are expected in those countries. Many countries also reported that because of favorable conditions for fall work the proportion of land already prepared for spring crops is greater than usual.

The 1948 world production of major food products was about 6 percent above 1947 and was about equal to the prewar average, when measured in terms of calories, and when no allowance is made for the higher extraction rates or for other efforts to utilize the food supply more efficiently. The world's population, however, has increased about 10 percent since prewar so that the production of the principal food products on a per

capita basis is only about 90 percent of prewar. Actually, food consumption has not declined to the extent indicated because many countries are still using a larger proportion of the potato crops as food and maintaining higher extraction rates for cereals than in prewar times. Also larger than normal quantities of coarse grains are being used as admixtures in flour and as foods in other forms and there has been a marked increase in the production of products for which no world estimates are available such as sweet potatoes, cassava, and plantains, which are important foods in tropical areas. Even after taking into account all these increases, however, there is no doubt but that in most importing countries the food consumption on a per capita basis is still somewhat below prewar and the quality of the diet is lower.

Because of the favorable outturn in 1948 European food consumption in 1948-49 from indigenous production is expected to be from 15 to 20 percent larger than for 1947-48 and within 3 percent of an average prewar year. The sharp increase in grain output has permitted an improvement in the quality as well as the quantity of bread supplies, but flour extraction rates are still above the prewar level and in a few areas the admixture of coarse grains remains heavy. Supplies of meats and fats continue much below prewar, in fact, fat supplies for 1948-49 may not be much larger than those of 1947-48 because of the smaller olive oil crop this year. With nearly a 10 percent increase in population, European food imports in 1948-49 will need to be larger than prewar in order to maintain caloric consumption at levels 5 percent below prewar.

In the Far Eastern countries less progress has been made in the expanding of food production but total supplies this year are a little larger than in 1947-48. The food situation in many urban areas is difficult, however, as inflation and political and military conflicts make it exceedingly difficult to procure grains from the surplus producing areas. The Far East continues to be a large deficit food producing area in contrast to being a net exporter in prewar. Exportable supplies of rice, vegetable oil products, and sugar, the principal prewar exports, are increasing but are still less than half of prewar, while the imports of cereals and cereal products are much larger than prewar. Some further increase in production of exportable products appears likely but with the uncertain political future in many countries, no material increase can be foreseen. Meanwhile, with the rapidly increasing population, the imports of cereals are likely to be

maintained at a high level providing sufficient exchange can be obtained to finance their purchase.

In most other areas of the world, food consumption continues at relatively high level but some of the importing countries which have used up their foreign exchange accumulated during the war, find it difficult to keep up with the high levels of consumption at current high world prices of food products.

The world production of most major food products has continued the upward trend of the postwar years and production of a few commodities exceeded the prewar average during 1948. The return to prewar levels of rice production is retarded by political uncertainties and inflation in many countries of the Far East. However, the 1948-49 crop is 3 percent above 1947-48 and only 2 percent below prewar. Generally favorable weather conditions in nearly all parts of the world resulted in a wheat crop about 4 percent above average. The production of rye is still below average but the total supply of all breadgrains is above the prewar average and appears about equal to the requirements during the 1948-49 season. Raw sugar production at 37.7 million tons is about 3 million tons above the prewar average and supplies of sugar not only appear ample for all needs during 1949 but some increase in stocks may take place. Supplies of fats and oils also are gradually increasing but the quantities available for movement in international trade are still much below prewar. The supplies of edible vegetable oils have been increased by larger crops of cottonseed, soybeans and peanuts and some increase in animal fats is expected in 1949 as the expansion of dairy products and hog numbers gets underway as a result of the increased feed supplies. Supplies of most fruits are somewhat below 1948 but, with the exception of apples, are at or above the prewar average.

Meat production is still somewhat below prewar and is temporarily retarded by the building up of livestock herds. Particularly in Europe, milk production in most of the principal producing areas also is gradually returning to prewar levels but has been retarded by the shortage of feed and high labor costs.

World Production of Selected Food Products, 1935-39 Average and Annually 1945 - 1948

Commodity	Unit	Average 1935-39	1945	1946	1947	1948
	Millions	Millions	Millions	Millions	Millions	Millions
Food Products						
Rice	Bushels	7,458	6,459	7,065	7,102	7,318
Wheat	"	6,010	5,120	5,785	5,815	6,285
Rye	"	1,730	1,363	1,451	1,490	1,625
Sugar, raw	Sh. tons	34.7	26.3	31.3	33.9	37.7
Edible vegetable oils	" "	8.3	7.5	8.0	9.1	9.1
Animal fats	" "	8.1	7.0	6.8	7.3	7.4
Marine Oils	" "	.9	.2	.3	.5	.5
Potatoes	Bushels	8,418	6,473	7,132	7,468	8,852
Deciduous Fruits 1/	Sh. tons	22.0	16.8	21.5	22.2	19.3
Citrus fruits	Boxes	266	338	343	359	-
Meat 2/	Pounds	66,300	60,800	61,900	65,900	-
Milk 2/	"	374,600	322,700	325,000	327,900	-
Feed Crops						
Corn	Bushels	4,751	4,965	5,277	4,826	5,920
Oats	"	4,364	3,920	3,960	3,722	4,335
Barley	"	2,363	1,910	2,085	2,185	2,425
Total-Percent of 1935-39 3/	Percent	100	84	92	94	100

1/ Includes apples, pears, peaches, apricots, cherries, plums and prunes.
2/ In specified countries, including most countries of Europe, North America and Argentina, Brazil, Australia and New Zealand.
3/ Weighted by calories with no allowance made for changes in extraction rates or other efforts to utilize these products more efficiently as food.

Office of Foreign Agricultural Relations.

EUROPE 1/

Food Supplies in the Consumption Year 1948-49

Favorable weather conditions during the growing season of the 1948 crop were the main factor in raising European production of foodstuffs and feedstuffs well above the poor 1947 outturn. Practically all regions participated in the improvement, though in the Mediterranean area - where olive oil output is estimated at levels greatly below a year ago - only Italy appears to have had a sizeable net increase in total food production. For Europe as a whole, the energy value of indigenous food supplies in 1948-49 is expected to be from 15 to 20 percent larger than in 1947-48, and within three percent of an average prewar year. However, a production index weighted by prices would still show a considerable drop compared with prewar, because of the continued deficit in the output of livestock products. Since population has increased, per capita production of food energy even in this favorable year may not exceed 92 percent of an average prewar performance.

The large increase in production that occurred in 1948 included all grains, especially wheat, as well as potatoes and sugar-beets. As a result of the larger feed supplies, both domestic and imported, livestock recovery is making progress and some increase in the output of milk, eggs, meat and animal fats is expected already for 1948-49. Total fat production in 1948-49, however, is unlikely to be much larger than in 1947-48, because of the considerable drop in olive oil.

With imports from outside Europe to be well maintained in 1948-49, total food supplies for consumption will show a substantial increase over 1947-48, particularly in central and eastern European countries, but also in a number of other countries where, as may be seen from the following table, consumption levels last year were still measurably below the prewar average.

The considerable improvement in the food situation has been reflected in increased rations of bread, fats, and sugar, lower flour extraction rates and declining prices of foodstuffs in the free markets. Some countries even eliminated bread rationing altogether. In Switzerland food is no longer rationed and in Belgium rice and imported butter are the only items that remain on the ration list. Considerably larger potato supplies in western, central, and northern Europe also permitted derationing in most countries. A larger output of meat and animal fats in 1948-49 may make possible modest increases in the consumption of these valuable items as well.

1/ Exclusive of the Soviet Union.

Estimated Food Consumption in European Countries
(excluding alcoholic beverages)

	Prewar	1947-48
	Calories per person per day. 1/	
Western Europe		
France	2,800	2,500
Netherlands	2,850	2,700
Belgium	2,800	2,800
United Kingdom	2,950	2,825
Switzerland	3,150	2,950
Ireland	3,050	3,050
Northern Europe		
Norway	2,900	2,775
Sweden	3,000	2,875
Finland	3,050	2,750
Denmark	3,250	2,975
Central and Eastern Europe		
Austria	2,350	2,400
Czechoslovakia	2,700	2,500
Poland	2,775 2/	2,475
Germany	2,850 2/	2,225
Mediterranean Europe		
Greece	2,450	2,400
Italy	2,550	2,275
Portugal	2,300	2,350
Spain	2,650	2,200
Southeastern Europe		
Yugoslavia	2,700	2,600
Rumania	2,700	2,600
Bulgaria	2,700	2,550
Hungary	2,750	2,400
Weighted average	2,775	2,475

1/ These data refer to calories per head of the total population. Consumption per head of the non-farm population in 1947-48 was measurably less than the total population.

2/ Present boundaries.

Nevertheless, while total energy intake in most European countries during 1948-49 will come up to or near prewar levels, there remain serious deficiencies in some areas with respect to high-quality protein and fats.

Situation by countries

Western Europe (France, British Isles, Low Countries, Switzerland)

The increased supply of food in France, 1948-49 compared with 1947-48, is mainly due to a much larger wheat crop in 1948, which was about double the poor crop of 1947. The potato crop was also sharply up, adding to the feed supply. A substantial increase in sugar output will reduce net imports considerably and still permit a slightly higher consumption compared with 1947-48. As a result of the great improvement in the supply of breadgrain, wheat extraction rates were gradually reduced, in recent months, from 95 percent to 80 percent - rye extraction rates from 82 to 68 percent. The normal consumer bread ration, following an increase last June from 200 to 250 grams per day, was raised to 300 grams in September and further to 350 grams in October. The sugar ration, in November, was lifted from 174 to 233 grams per week. There is little doubt that the food situation in France this season shows great improvement, even though such improvement, by and large, is confined to a larger bread supply of considerably better quality. Non-farm consumption at present may be estimated at about 2600 calories per capita per day (excluding alcoholic beverages), compared to less than 2300 a year ago.

The food position of the United Kingdom is also better than a year ago when total non-farm consumption of food amounted to around 2800 calories per person per day. Potatoes, rationed in November 1947 for the first time, were derationed in May 1948. Bread was derationed in July. (The wheat flour extraction rates, at 85 percent, has thus far remained unchanged.) Fat rations, increased last February, have recently been increased again. The sugar ration has been restored to the October 1947 level, jam and marmalade have been derationed and allocations of sugar to manufacturers and catering establishments have been raised. On the other hand, the bacon ration had to be temporarily reduced in November - a reduction which is to be made up by extra allowances of corned beef. The bacon ration is to revert to 2 oz. per week on December 19; from then onward its level will largely depend on the rate of Canadian shipments. Nevertheless, the United Kingdom must depend on imports for about 62 percent of its current consumption, which while equal to prewar in per capita energy value is considerably below prewar in meat and fats. Food stocks in the United Kingdom appear to be lower than a year ago so a continued steady flow of imports is essential to maintain current individual consumer rations which include most major foods except bread and potatoes.

Food supplies in Ireland do not differ greatly from those of 1947-48. Crop production was larger than in 1947-48 when Ireland was the only western European country with a harvest above 1946-47. Compared to

a year ago, rations have not significantly changed, with bread continuing at 6 lbs. per person per week.

Rice and imported butter are the only food items still rationed in Belgium, and total food consumption continues at a level more satisfactory than ever, since the war. Total non-farm consumption of foodstuffs is estimated at 2800 calories per person per day -- or slightly above a year ago. The situation generally has been eased by the much larger output of the most important agricultural products this season, compared to the last. Much larger feed supplies, both domestic and imported, will be available in 1948-49, as against 1947-48, and will further help livestock recovery. The manufacture and distribution of feed was freed from government control in October.

Much the same situation as in Belgium prevails in Luxembourg where bread was also derationed effective November 7. Extraction rates for household bread flour in both Belgium and Luxembourg are down to 77-78 percent, for fine wheat flour even lower.

As in the other 2 Benelux countries, the Netherlands abandoned the rationing of bread in November, after other farinaceous foods had already been derationed last May. Extraction rates for flour, however, are being maintained at 80 percent, compared with 85 percent a year ago. Sugar was derationed November 8; milk was freed last July. Total food consumption by the non-farm population just prior to the derationing of bread and sugar stood at about 2650 calories per person per day, compared with 2500 a year ago. The improvement in the situation 1948-49, compared with 1947-48, is due to both larger production and imports, although domestic output is still well below prewar, except for a few products, such as potatoes and sugar. As in Belgium, increased feed supplies should facilitate the recovery of livestock production.

In Switzerland the last remaining products -- breadstuffs and fats -- were derationed several months ago. Extraction rates for wheat and rye flour were reduced to 78 percent, from 86 percent a year ago. Except for meat and sugar, per capita consumption is practically at the prewar level -- and bread consumption is above prewar. Contrary to the situation in most other European countries, 1948 crop production in Switzerland did not exceed 1947 levels.

Northern Europe (Scandinavian countries, Finland)

Consumption in Denmark is not yet up to the high prewar level on energy intake; while bread, potatoes, milk, cheese and eggs are considerably above prewar, fats and sugar are considerably below. The output of grain in 1948 was largely at par with prewar production, potato production at an all-time high. The output of livestock products, however, still is not much above three-fourths of the prewar average. Compared to last season, when heavy slaughter of cattle resulted from the poor

feed supply, 1948-49 output of beef and veal will be less, with some reduction of exports and home consumption likely. Extraction rates for breadgrains still average about 88 percent, as a year ago, but the admixture of barley to wheat and rye flour was discontinued in September 1948.

Overall food consumption in Norway, at about 2700 calories per person per day for the average of the non-farm population, is approximately the same as last year, with rations virtually unchanged. Total grain production in 1948 reached about prewar levels but bread grain production meets only 20 percent of the consumption requirements of the country. Milk production is near the prewar average, while meat and egg output are between 80 and 85 percent of prewar. Norway, like Denmark, has not yet reduced extraction rates which, for wheat and rye, still average 85 percent. It is contemplated, however, to abolish bread rationing, if at all possible, in January 1949. Food consumption for the season as a whole is not expected to fall greatly short of prewar, although meat, eggs, cheese and sugar supplies per capita will remain measurably below the prewar average. On the other hand, per capita consumption of grain, potatoes, and fish as well as milk is up.

The situation in Sweden continues satisfactory with food consumption approximately at the prewar per capita standards both as regards total energy intake and consumption of individual foodstuffs. Sweden's supply problem this year has been eased by a much larger production in 1948 compared to 1947. The grain crop was some 35 percent above 1947 although still almost 20 percent below prewar (most of the deficit in oats). Production of vegetable oil in 1948-49 will also be much larger than it was in 1947-48 and milk output may reach the prewar volume. All breadstuffs have been derationed but the reduction in extraction rates has only been slight for 1948-49. Wheat and rye flour may still average at about 84 percent.

Central and eastern Europe (Germany, Austria, Czechoslovakia, Poland)

In Germany, as in other European countries, the food situation has considerably improved compared to 1947-48. Average non-farm consumption in the Bi-zone at the present time may be estimated at 2,450 calories per person per day compared to only little over 2,000 calories a year ago. The ration call-up for normal consumers rose from about 1,300 calories early in 1948 to 1,560 calories in April and 1,850 calories in the summer. The increase is due to larger bread, fat, sugar rations. Potato consumption is also considerably above a year ago, with potatoes derationed in October following an excellent harvest. The situation is much the same, although on a somewhat lower level, in the French Zone of occupation. Bread rations have been raised in the French Zone as well. Potatoes appear to have been dertaioned in parts of the Zone during October, although some imports still seem to be needed; they are being supplied by the Bi-zone. Total food consumption by the non-farm population may now be estimated at 2,300 calories.

It is difficult to appraise the situation in the Soviet Zone although it seems that even there the level of non-farm consumption may have reached the 2,300 calorie mark. Increased consumption in the Soviet Zone is due to an increase in rations which were raised by an average of some 150 calories effective October 1948. In all zones crop output in 1948 has shown a considerable increase over 1947, and it is this increase in the production of potatoes, grains, and sugar that is mainly responsible for the improvement in the food situation; supplies of meat, fats, and other livestock products remain far below the prewar average. The situation in regard to feed supplies has also measurably improved as a result of the very large increase in the potato crops. In addition the Bi-zone is receiving some coarse grain for feed from U. S. imports and somewhat more bran will be available as a result of the decrease in extraction rates which now average 88 percent for breadgrains.

The food situation and prospects for Austria in 1948-49 are also considerably better than a year ago. Grain and potato production in 1948 were high about 20 percent above the year previous, although still considerably below prewar. Average non-farm consumption of all foodstuffs in Austria at the present time may be estimated at about 2,500 calories per capita per day which compares with less than 2,300 calories a year ago. The increase was mainly in fats, sugar and farinaceous foods. The most important change in the rations was the increase to a 2,100 calorie normal consumer allowance in September 1948. Extraction rates have been reduced and are now at 85 percent for wheat and rye compared to 90 percent a year ago.

In the eastern parts of Central Europe as well rates of food consumption have recently risen over those a year ago and, as in most other countries, this improvement is due to the rather substantial increases in the production of grain, potatoes, and sugar compared with 1947. In Czechoslovakia, 1948 output of grain and potatoes was still measurably below prewar although very much better than in 1947. Sugar production on the other hand is expected to be almost double that of 1947 and practically up to prewar levels. Cattle and hog numbers, while well below last year as a result of the drought-induced slaughter in the fall of 1947 and the spring of 1948, are being rebuilt. Production of meat in 1948-49 will not exceed 80 percent of the output in 1947-48 or 70 percent of prewar. Following the better breadgrain harvest and with imports expected to be substantial (though smaller than in 1948), the bread ration was increased. Rations have also been raised for potatoes, fats, and meat. Flour extraction rates are indicated to be about the same as a year ago, or about 80 percent. As a result of the greatly improved grain supply, some wheat flour for home baking has been milled at 73 percent since the beginning of November.

Consumption this year in terms of calories should be up to this prewar level in Poland and still allow for substantial exports or accumulation of stocks of grain and sugar.

Poland now also exports some bacon and ham, poultry, and eggs. For foodstuffs as a whole the country this year is an exporter, whereas last year it was a net importer. Bread and flour were derationed on November 1, 1948. Bread grain extraction rates are reported to be at about prewar levels. The substantial improvement compared to a year ago, as in other countries, was due to a considerable increase in production. Grain output this year may have reached as much as five-sixths of prewar, whereas a year ago it was little over one-half. With potatoes plentiful, this year as well as last, hog numbers should continue to increase.

Mediterranean Europe (Portugal, Spain, Italy, Greece)

The season 1948-49 is not in the same way a year of general increase in agricultural production in Mediterranean Europe as it is in most other European areas. It is true that field crops showed sizeable gains in production in Italy as well as Greece, compared to 1947-48; but the gains in Spain were slight, and in Portugal, contrary to earlier, optimistic forecasts, production was even below the poor crop of 1947 (except in potatoes). Above all, the output of olive-oil is expected to be greatly below last year's favorable yield in all four countries, though this decline-- as far as domestic consumption is concerned--apears to be partly cushioned by the availability of substantial carryover supplies. While bread, sugar and rice continue to be rationed in Portugal, enforcement of bread rationing is not rigidly enforced. Food consumption in Spain continues low. Bread rations, which had been cut to 150 grams daily for the third (and largest) category of consumers last year, were raised to 200 grams effective October 1, 1948. The olive oil ration, raised to 1/4 liter per week in January 1947, has not thus far been changed, but edible seed oil may have to be imported to fill a possible deficit. (Stocks of olive oil, however, are particularly large in Spain.)

Italy's food position shows considerable improvement, in 1948-49, over 1947-48. Except for olive oil, production of all foodstuffs has significantly increased and imports of grain are maintained at high levels. Latest estimates place olive oil production this year at only about one-half of last year's and the Italian government has consequently increased its requests for fats and oil imports for the current year. Average non-farm consumption (excluding wine) may be estimated at around 2,200 calories per person per day, compared to about 2,000 a year ago. The increase is mainly due to larger supplies of grain products. With the derationing of sugar in December 1948, bread, alimentary paste and rice are the only products now rationed. The paste-rice ration has been raised, part of the flour supply has been decontrolled, and the quality of the bread has been improved by a decrease in the wheat flour extraction rate to 80 percent and the elimination of the coarse grain admixture. General improvement in the food situation is also indicated by a measurable drop in retail prices of foodstuffs in the free market, compared to a year ago, a drop only partly offset by an increase in the price of the bread and pasta ration. In November, the composite (rationed and free) food price index stood at 177 percent of July-September 1946, while a year ago it was 190 percent.

Crop production in Greece except for the output of olive oil in 1948 is above the prewar average. Grain production showed a substantial increase compared to the low output in 1947, while olive oil is very much below the large production of last year. There will be little change in the general level of food availability in Greece during 1948-49, with per capita supplies of total energy approximately up to prewar. But as long as guerrilla warfare continues, distribution of supplies will remain extremely difficult and uneven. Except for an occasional special ration of sugar, coffee, rice, and beans the only foods rationed by the Greek government are bread and small amounts of macaroni and spaghetti. At present, rations are being maintained in the large urban centers but are as much as two to three months behind in parts of northern Greece, and in the interior of the Peloponnesus.

Southeastern Europe (Hungary, Rumania, Yugoslavia, Bulgaria)

The large increase in crop production which occurred in southeastern Europe in 1948 is due mainly to the increase in wheat output which in 1947 had been very low. Other small grains, oilseeds and sugar are also sharply up from last year. Production of corn, which had been large in 1947, showed some decline in 1948, but the crop was again a good one. Grain supplies appear to be ample enough to permit an increase in domestic consumption for food and for feed and still leave substantial quantities for export. Sugar, oilseeds and some livestock products should also be available for export.

In accordance with the improvement in output and the general food situation, bread and sugar rations were increased throughout the area in late summer and early fall. In Hungary the flour extraction rate was also reduced from 86 to 80 percent for wheat, and from 82 to 80 percent for rye, although there is to be an unpopular admixture of potato flour in the bread. In Bulgaria the admixture of corn in rationed bread was cut to 10 percent. Information on flour extraction rates and the use of corn in the ration is lacking for Rumania and Yugoslavia, but with the increase in wheat output the proportion of wheat in rationed flour supplies should be larger this year than last. However, in all four countries fat and meat supplies remain very short in urban areas.

Production outlook for 1949

Conditions for fall seeding operations in Europe have by and large been favorable this year. Labor and draft power supplies are generally adequate, with tractors more numerous than a year ago. Supplies of commercial fertilizer in most countries appear to be well above the prewar average and generally better than last year. Mild weather and adequate rainfall this autumn have facilitated field operations and given fall-sown grain a good start in most of western, northern and central Europe and in Italy. Other parts of the continent are reported to have suffered from abnormally dry fall weather, but rains have recently relieved the drought at least in the Iberian peninsula and Greece. Early reports indicated some increase in the area sown to winter grains but in later reports compared to last year, the increase has been reduced. Thus for France the latest information indicates no information in winter sown crops with the resultant prospect of lower 1949 production unless weather conditions during the remainder of the present growing season are as unusually favorable as they were in 1948, yields and production in Europe in 1949 may not reach the 1948 level.

SOVIET UNION

The over-all crop situation in the Soviet Union, in 1948, continued the post-war recovery, though weather conditions were not as favorable as in 1947. Rationing of foodstuffs was formally abolished in December 1947, coincidental with a drastic devaluation of the Soviet currency. The food situation in Moscow and some other large cities improved more than seasonally during the second half of 1948 as compared with the severe stringency which had prevailed since the war. The availability of different foods was greater and with the lowering of prices the gap between prices in the government controlled outlets and the private free market had diminished. In some localities, however, the situation was much less satisfactory, but lack of reliable information on food conditions for many important regions, especially in the drought stricken Volga area, precludes a generalization on the over-all Soviet food situation.

The acreage of all crops in the Soviet Union for the 1948 harvest increased, according to preliminary estimates, by about 11 percent as compared with 1947, but it was still 12 percent below prewar (1938) for the present territory of the Soviet Union. Most of the increase was in wheat, which suffered a drastic decline during the war. However, weather conditions and yields were spotty. In some regions, particularly in the south, weather conditions favored crops. But, the important Volga spring wheat area and some of the adjacent regions, where much of the increase in wheat acreage occurred, suffered from a drought during the critical growing period. In some other districts, there was apparently too much rain during the harvest.

Preliminary estimates indicate a production of principal grains (wheat, rye, oats, barley and corn), of only about 4 percent above 1947 and 84 percent of the estimated prewar average (1935-39).1/ A substantially larger wheat crop, however, was harvested, despite reduced yields, because of the increased acreage.

1/ Based on actual harvested or "barn" outturn and not typical U.S.S.R. "biological" or preharvest estimates, which do not take into account considerable harvesting losses and are often otherwise overestimated. According to official Soviet reports, 1948 production of all grains, despite unfavorable weather conditions in some important regions and an acreage below prewar, reached the level of the good 1940 year because of higher yields. No actual statistics were given, but the report is based on pre-harvest, or biological, yields and production, and not actual barn outturn, referred to in this discussion.

A larger potato crop is indicated in 1948, when the acreage was more than 10 percent above 1947. The outlook for a number of so-called technical crops (which include oil seeds), particularly sugar beets, was not entirely satisfactory, according to an official report from the Ukraine. While the prewar sugar beet acreage was attained, production of sugar beets in this most important growing region was still below prewar, because of lower yields. It is a fair assumption, therefore, especially since some of the other sugar beet growing regions experienced a drought, that production of beets and sugar was still below prewar, though it was larger than in 1947 because of the increased acreage. Moreover, while a part of the 1947 sugar beet crop was lost because of failure to transport the beets from the fields to the mills, an improvement in such movement, in 1948, is indicated by reports from the principal growing regions.

Increase of livestock numbers, both in communal herds of the collective farms and in individual possession, as of September 1, 1948, was officially reported. However, a decline in cattle numbers in several important eastern regions was also indicated. Actual figures of livestock numbers were last reported for the end of 1946, when cattle numbers were 22 percent, hogs 73 percent, horses 46 percent, and sheep and goats 8 percent below prewar (1938). The government program did not contemplate restoration of prewar livestock numbers, except for sheep and goats, even by the beginning of 1949.

A relentless drive has been made by the Soviet government, since the harvest began, for large and speedy collections of farm products, especially of grain. Pledges to Stalin by collective farmers in various districts, embodied in letters published in the Soviet press, served to whip up deliveries. Data published on Soviet grain collections up to December 25, 1948, indicate good progress in most regions of the European part of the country, especially in the south, and in some important regions of Siberia. The fulfillment of collection goals, however, was not reported for the Volga area and some adjacent regions. This is where drought conditions were officially reported in the summer of 1948.

Compulsory collections of grain and other farm products by the Soviet state, at low fixed prices, do not depend upon the size of the crop, but are based on the total land available for crops or total acreage on each collective farm, and may be as large in a poor harvest year as in a good one. Quotas for delivery of grain to the Government are set before the harvest and must be met immediately on harvesting. During the 1948 collection campaign, deliveries of grain above the quotas were reported by a number of regions, indicating heavy government demands. In addition to the compulsory collections, the Government also obtains grain and other farm products through payments in kind for work performed on collective farms by the state machine-tractor stations. Such payments are at specified rates for each operation per unit of land, but the rates vary with the officially determined yields of the unharvested crop in

the whole district. Considerably increased receipts of grain by the Government from this source were also reported in 1948, when the volume of work of machine-tractor stations increased.

For a number of regions in which grain collection goals, specified by the government plan, were fulfilled, there were published in the Soviet press actual figures of increase in procurements in 1948 over 1947. These data, up to December 25, 1948, indicate an increase of over 4.5 million metric tons in the amount of grain delivered to the state as compared with 1947. Much of this reported increase consists of bread grains, especially wheat. If this increase in collections is not offset by decreases in regions which have not reported so far, the Soviet government will possess larger grain supplies this year.

The disposal of the additional grain as between domestic consumption, stockpiling and exports, will depend primarily upon the decision of the Government, which has a monopoly of all foreign trade and controls most of the internal trade. The retail outlets, controlled by the Government, supply most of the breadstuff needs of the urban population, but there has always been also a private, uncontrolled market. Since rationing of breadstuffs was abolished in December 1947, there are reports of considerably increased bread sales in government controlled outlets. This increase may be due in part, or largely, to a shift of demand from the private market to the government stores.

The past year was characterized by sizable Soviet grain exports. Shipment of all grains from the Soviet Union during the year ending June 30, 1948, totalled approximately 2,600,000 metric tons, of which two-thirds were bread grains and the rest coarse grains. Export sales and commitments totalled about 3,550,000 tons, leaving about 950,000 tons to be fulfilled by shipments during the current year. More than half of the Soviet grain exports during 1947-48 went to the satellite countries of eastern Europe, which, because of improved 1948 harvest, are in a much better supply position this year. More Soviet grain, therefore, may be available for export to other parts of the world.

The area sown to winter grains (rye, wheat and a little barley), in the fall of 1948, for the 1949 harvest, was 7.4 million acres, or 8 percent larger than the winter grain acreage sown in the fall of 1947. Lack of snow cover in many regions was reported late in December, which left fall sown grains subject to possible winter-kill, and may result in a shortage of winter moisture. A much larger acreage was plowed in the fall of 1948 for spring seeding in 1949 than was the case during the previous year. Fall plowing is claimed by Soviet sources to be distinctly beneficial to yields and it diminishes the heavy load of spring field work, making for earlier and better fulfillment of spring acreage goals.

THE MIDDLE EAST

Most of the important food crops in the countries of the Middle East (Turkey, Syria, Lebanon, Iraq, Iran, Palestine, Trans Jordan and Egypt) during 1948 were average or above, and indications are that the region as a whole will have ample food supplies until the 1949 harvest.

As usual, the deficit countries of Lebanon, Palestine and Saudi Arabia will have import requirements of over 275,000 short tons of wheat and smaller quantities of rice, sugar and other food items. In addition, because of substantial increase in the population over the prewar level, and because of reversion to greater cotton production Egypt's import requirements of bread grains may approach 380,000 tons. Also, Iraq will have to import about 55,000 tons of wheat, as a result of a short crop. In Iran recent reports indicate there is a likelihood of need arising for the importation of some 100,000 tons of wheat, in addition to the normal import of about 90,000 tons of sugar.

On the other hand, the exportable rice surplus of Egypt is estimated at more than 330,000 tons. Iran may have a surplus of 45,000 tons of this commodity, in addition to 75,000 tons of dried fruits and nuts. With excellent grain crops this year, Syria is in a position to offer some 100,000 tons of wheat for export, and Trans Jordan 20,000 tons. Turkey also harvested excellent crops, and is in a position to offer for export 200,000 tons of bread grains, 100,000 tons of dry legumes, and substantial quantities of dried fruits and nuts.

Production of vegetable oils and oilseeds is expected to meet the requirements of the region as a whole. Olive oil production will be materially less than it was last year, this being an off year for the olive crop. Carry-over stocks of this commodity, however, together with normal or above normal production of cottonseed and other vegetable oils, will be sufficient to counterbalance the shortage.

THE FAR EAST

Summary

In the Far East a slight improvement in production of food crops has been offset by further deterioration in the facilities for the movement and distribution of food from surplus to deficit areas. Inflation and political and military conflicts have so reduced the movement of products that surpluses of food in the hinterland and shortages in the urban centers or ports of shipment are common occurances.

Crops generally were good in Far Eastern countries in 1948 and production of nearly all food products was slightly better than in 1947. Japan harvested another good rice crop and production of other crops was considerably better than last year's harvest. However, with a larger population and a 10 percent increase in basic food rations, import requirements are about as large as last year. Korea's crops were considerably better than last year and it's 1949 food import requirements are sharply below the 330,000 short tons imported in 1948. China has overall good crops but procurement of food is difficult and the food shortages in some areas are still acute. Summer floods have so reduced the crops in Pakistan that this country has shifted from a food exporter to a food importer for the current season and India needs imports of about 3 million tons of food or the same as was imported last year. Production in Malaya, Ceylon, Indonesia and the Philippines has improved somewhat but the indications are that food imports will be about as large as last year.

In the world's principal rice exporting countries, Burma, Siam and Indo-China, it is estimated that the current production will about equal the 11.5 million short tons produced in 1947 but will be only 83 percent of the prewar average of 13.9 million short tons. Export availabilities from these countries during 1949 are estimated to be about 400,000 tons above the actual shipments for 1948, due in part, to some unexported stocks carried over from last year. However, actual exports will be influenced to some extent by political disturbances for which the possibilities of settlement are very uncertain.

Recovery in production of the other important export commodities of this area, sugar and vegetable oil products, is progressing more rapidly and exportable supplies should increase appreciably in 1949. The 1949 import requirements for the area as a whole will be about as large as in 1948 despite the overall modest improvement in Asiatic crop production. The difficulties of procuring surplus food, the rapidly increasing population and the slow recovery of production in the principal surplus producing countries explain why this area, which was a net exporter of nearly 5 million tons of food annually before the war, imported nearly 9 million tons in 1948, of which only 2 million tons came from the surplus producing areas of the Far East. Approximately the same situation will prevail in 1949.

Japan

For the third time in as many years, Japan had a very favorable crop season. Food production in 1948-49 is larger than in any year since the war, and the rice crop, the mainstay of Japan's diet, is equal to any prewar 5-year average. Despite the more ample crops, domestic production will fall short of supplying the ration requirements by about 2.6 million short tons of all food in brown rice equivalents. Japan was a large deficit food producer before the war. The per capita consumption is much below the prewar levels, but the population of the country is now estimated at 81 million. In conditions of a rapidly growing population and limited agricultural resources, which are already intensively exploited, Japan has no prospects of becoming self-sufficient in food in the foreseeable future.

The outstanding feature of the crop year 1948-49 was the rice output estimated at 9,072,000 short tons in terms of milled. While the output of wheat and barley are smaller than in 1931-40, it exceeds that of 1947-48, and sweet and white potato production is nearly 60 percent greater than the 1931-40 average. In terms of brown rice equivalents, production of the six principal crops (rice, wheat, barley and naked barley, sweet and white potatoes) are 3 percent above the 1931-40 period. Weather conditions were exceptionally good and the fertilizer supply has improved over the low war and post-war years. Weather conditions may not always be as favorable as in the past two years, and the availability of chemical fertilizers, at least in volumes comparable to those of prewar, which is still lacking is of utmost importance.

An increase in domestic crops does not mean a self-sufficiency of food for Japan with its large urban population. Beginning November 1, 1948 the daily basic normal consumer ration for the non-farm population was raised from 1,300 to 1,440 calories. It is estimated that 9.3 million tons of brown rice or equivalent will be required to provide this diet for the urban population and to supplement the deficit supplies of partial self-suppliers. The need of imports to meet current ration requirements will depend upon the success of the Government in food collections.

The original 1948-49 collection goal for basic crops (rice, cereals, white and sweet potatoes) called for a total volume of 7,521,000 short tons of brown rice equivalents, which was 10 percent above the previous year's quota, but in view of the losses caused by floods, insects and disease, the quota was revised downward by about 5 percent. To carry out the collection program, the price of rice has been raised from 1,750 yen per koku to 3,682, wheat from 1,062 to 2,265 yen, barley from 710 to 1,506 yen, and white potatoes from 87 to 173 yen per 10 kan 1/ respectively. Bonuses are granted to farmers for the purpose of encouraging an early shipment and over-delivery of this year's crops of rice and sweet potatoes; they have been fixed on a graduated scale according to the

1/ 1 kan equals 8.267 pounds.

date of delivery. Another important measure is the incentive goods program, which entitles the farmer to certain commodities, at fixed prices, for timely delivery, as well as for overfulfillment of the quota.

In 1947-48 the government collected at relatively low official prices, 6.9 million short tons in brown rice equivalents. The collection campaign was very successful and exceeded the quota by more than 100,000 tons. During the current season, summer grain collections progressed smoothly and were completed on time. The real test lies in the rice collections and results to date augur well for the completion of the program earlier than in any other year since the beginning of the occupation. Assuming that the collection quota is reached, however, imports of approximately 2 million short tons of cereals will be required to maintain the new ration for non-self suppliers and in addition about 600,000 tons of sugar and other non-basic foods are needed to continue previous levels of consumption of these products.

In the 1948 fiscal year, American food imports of 2.3 million short tons filled the gap between food requirements and indigenous food production. Their significance cannot be overestimated for they spelled the difference between the success or failure of the food rationing program.

The strict control over and efficient utilization of indigenous food production and food imports will assure the minimum food requirements of the Japanese people. This pattern of frugal consumption cannot be changed in the years immediately ahead. Japanese prospects for food self-sufficiency, coupled with a rapidly growing population at the rate of about 1.3 or 1.4 million people per year, are very poor. An examination of such basic elements of production as land, yields, and greater application of manpower, leads to the conclusion that Japanese agriculture will never be in a position to make the country self-sufficient, even on the basis of the existing low standard of consumption.

South Korea

The food position of South Korea in 1949 should show a considerable improvement over that of 1948 if the Government's food collection and distribution program can be carried out successfully. Acreage and production of practically all food grains and pulses in the crop year 1948-49 are considerably above those of the previous year and of the 5-year average 1940-44, and food imports in the calendar year 1949 may amount to 100,000 or 150,000 short tons of brown rice equivalents as against 340,000 short tons in the preceding year. It is quite possible that in the forthcoming crop season indigenous production will suffice to take care of all requirements. This will depend, however, upon a great degree of economic stability and, barring that, the ability of the Government to induce the farmers to part with the required volume of foodstuffs for the non-farm population.

South Korea, along with a number of other countries in the Far East and southeastern Asia, is enjoying an unusually good crop year, notwithstanding more than the normal damage suffered by crops from typhoons and floods. The production of rice, the country's principal grain crop, is estimated at 2,425,000 short tons in terms of milled, or 17 percent above that of 1947 and 18 percent above the average output of 1940-44. The output of other grains is also estimated at levels above those of the preceding year. The total volume of indigenous food available for consumption in 1948-49 is not yet available, but all indications point to a materially larger output than in 1947-48. Excellent weather conditions, a larger acreage under cultivation and heavy fertilizer imports from the United States are the principal reasons for this rise in output.

In conditions of economic instability, an augmented production does not automatically insure greater availability of food for the non-food producers. The real problem faced by South Korea is the ability to maintain the food ration for a total of about 8 million non-food producers, which includes a number of partial food producers. The ration now calls for a minimum of 1,575 calories of grain per day for all the non-self-suppliers, as compared with 1,312 calories of grain a year ago. In addition, the Government must make good the supplementary rations for certain categories which, in the heavy industry worker group, will raise the basic ration to 2,360 calories. The success or failure of the ration program will depend primarily upon the Government's success in collecting from the farmers 7.5 million suk (1,260,000 short tons). Efforts are being made to insure timely deliveries. The price of rice was raised from won 640 per 54 kilogram bag of rice to won 1,200; one third of the price will be paid in certificates redeemable in fertilizer, and the Government plans to supply the farmers with a variety of such incentives as piece goods, shoes and farm tools, which they could not acquire otherwise or only at exorbitant prices.

The collection of summer grains was completed by the end of September, but a successful collection of the rice quota is still in question. Beginning this rice crop year, voluntary sales by the farmers to the Government have replaced the previous compulsory collections of assigned quotas. There are exceptions, but the bulk of the collections must come from the farm groups, which, under the terms of the Grain Purchase Bill, have a right to sell "small quantities" of grain outside of the Government channels. Farmers could legally sell their entire crop or much of their crop over a period of time in a series of individual transactions, each involving only "small quantities" of grain. To date, deliveries are proceeding slowly, and even if the Government should succeed in purchasing the planned volume, this will not free South Korea from dependence upon the imports of a small volume of foodstuffs.

The 1949 production goals are generally higher than the favorable 1948 crop. Rice production goal for 1949 is 2,765,000 short tons of polished rice from an estimated 2,838,000 acres. This is more than 25 percent above the 1940-44 annual output and 8 percent above the 1948 output. This assumes the availability of projected fertilizer imports and favorable weather. Given these conditions, South Korea can attain the goal through higher yields, and that would result in a small exportable surplus.

China

If it were not for the civil war, China's food position this year would be better than prewar and the best since the war. No major area had poor crops. Winter crops were generally good, particularly wheat, and summer crops were above average with comparatively few areas indicating poor production. This year's rice crop, in terms of milled, is estimated at 37,170,000 short tons as compared with 35,880,000 short tons in 1947 and 38,600,000 short tons in 1931-37. The production of all other principal grains such as wheat, barley, millet, kaolong and corn is above that of 1947 and of 1931-37. Despite this overall increase in output, numerous sections of the country and large urban centers such as Peiping, Nanking, Shanghai, Canton, Tientsin, Tsingtao and Swataw are suffering from a lack of food. If normal amounts of domestic foods could be procured from the surplus producing areas, the total food imports required to provide these urban and normally deficit areas with prewar diets, would amount to approximately 2 million short tons. Actually, the food situation in the urban centers of China is much worse than indigenous production and estimated deficits indicate.

The coastal cities of the country and parts of North China in normal times have imported a considerable volume of wheat and rice, in addition to a fair quantity of foodstuffs obtained from Manchuria. The total averaged close to 2 million short tons. Access to Manchurian sources is cut off, but assuming that Formosa can furnish China with 400,000 tons of rice, the total import requirements are in the neighborhood of those before the war. The civil war, which involves approximately half of the important economic areas of China, is the principal cause of the poor distribution. The disruption of normal economic activities and rapidly rising prices are causing the farmers to withhold the grain until such time as they can get something worth-while in return. All of the above have caused the disruption of the distribution pattern. The enumerated difficulties have been tremendously accentuated in the fall of 1948 as a result of the serious military reverses suffered by the National Government and the failure of the August 1948 measures intended to achieve a semblance of economic stability. Hence the acute artificial scarcity of foodstuffs in urban centers, food hoarding, food riots, and the near exhaustion of food stocks.

Areas that may be expected to experience a food shortage are (1) North Kiangsu, North Anhwei, East Honan, and South Shantung; (2) North Hunan; (3) Lowland Central Yangtze Areas; (4) Pescadores Islands; (5) parts of coastal Fukien; and (6) parts of South Manchuria affected by late summer floods. In addition, there are the principal urban centers already mentioned. Most of the cited areas are actually more upset by political and military conditions rather than by poor crops.

China's immediate and most urgent food problem is how to secure enough indigenous foodstuffs to maintain the Chinese portion (as distinct from that supplied by ECA) of the rationed program in Shanghai, Nanking, Tientsin, Canton, Swatow and Peiping. The needs of the autumn months were to be taken care of by Chinese procurement of domestic production of wheat and rice. In many instances the failure to obtain this normally available food was caused by the lack of Government funds, refusal to accept the worthless currency in payment, and lack of commodities for barter trade as a substitute.

INDIA

India's food supply during the 1948-49 season is not likely to be greatly different than during the previous season. Excessive rains last summer were unfavorable for the production of jowar, bajra and corn, which normally provide about 11 million short tons, or about one-fourth of the total food grain production. The rice crop provides slightly less than one-half of the total grain supply and early conditions indicate a crop slightly better than last year. The wheat and gram crops for harvest next spring were sown under generally favorable conditions and it is believed that there has been some expansion as some acreage which could not be seeded to summer crops because of the excessive rains earlier in the year have been sown to these crops. The 1948 sugar crop was the largest on record.

During the first year after partition (August 15, 1947 to August 14, 1948) the Indian Union imported over 3 million long tons of cereal grains. Of this total, 1,137,000 tons were wheat and wheat products. Rice imports totalled 943,000 tons, corn 446,000 tons and there were nearly 560,000 tons of grain sorghums, barley and oats imported. Over 20 percent of this total, or 712,000 tons, came from the United States and consisted of mostly wheat, wheat flour, and grain sorghums. Australia was the principal provider of cereals to India following the record crops of that country in 1948. More than 500,000 tons of rice were received from Burma during this period and large quantities of corn and barley were obtained from Argentina.

Since the domestic production of food crops during 1948 promises to be little, if any, larger than in the previous year, India will continue to be a large importer of food products. With a smaller rice crop in prospect in Burma, it is probable that during 1949 India will be at least as dependent on other cereals for her food supply as she was during the first year of independence. Because of another large wheat crop in prospect in Australia, this country will probably again be the principal provider, but larger imports from the United States may be taken because of our large wheat, corn and grain sorghum crops.

A year ago India discontinued nation-wide compulsory procurement, rationing and fixed prices of essential food products, leaving the regulation of food supplies to the individual provinces. This was followed by rapid rises in food prices and caused extreme hardship among the lower income groups. It also made it extremely difficult to obtain adequate supplies of food for the urban population. This year, gradual re-introduction of Government monopoly purchase of food grains is being resumed as rapidly as the harvest seasons for the various crops commences. Rationing of the urban population will become more general when the Government acquires sufficient stocks. It will be almost a year, however, before rationing can be restored generally at which time efforts will be made to reduce the prices of food grains.

PAKISTAN

Floods in both Eastern and Western Pakistan, during the summer of 1948, together with a net immigration of at least 2 million people following the partition of India, have transformed Pakistan from a normal exporter of food products to a probable net importer during the 1948-49 season. Before partition, the areas composing Pakistan normally produced about 13 million short tons of food grains and pulse crops and had net exports of about 550,000 short tons. East Pakistan, with its large population, has long been a net importer of food, but the western area has surpluses of both wheat and rice and small exportable supplies of other grains.

During the last quarter of 1948 the food shortage in East Pakistan became increasingly serious with several localities verging on famine conditions. While estimates of 1948 production are not yet available, it is believed that floods have reduced the rice crop by at least 280,000 short tons and the extent of damage to the winter crop may not have been fully discounted. This loss, together with a 225,000 ton normal deficit, results in a total deficit for East Pakistan of nearly one-half million tons. In Western Pakistan, floods during July and August burst the Indus River dikes, destroying both growing crops and grain in storage and total losses may exceed those of Eastern Pakistan.

The newly formed Government is also experiencing considerable difficulty in procuring food supplies from producers. Rapidly advancing prices have encouraged holding back agricultural products by growers and traders and even higher prices in India than in Pakistan have encouraged smuggling grain from both areas of Pakistan into India. To meet the food shortage and possibly to break the advancing prices of foods, the Pakistan Government has asked the IEFC for an allocation of 160,000 tons of food grains and has made arrangements to obtain 30,000 to 60,000 tons of food grains from Russia.

Prospects for winter crops to be harvested in the winter of 1949 are more favorable. Large areas of land have been watered by August floods by the Indus River providing favorable conditions for the fall planting of these grains. Social conditions in the grain provinces are far more stable than they were a year ago when the communal migrations were in progress. Furthermore, the Government has been emphasizing the "grow-more" food campaign to impress tenants and land owners with the importance of increasing the food supply and has made considerable effort to settle refugees in the Sind in time for fall sowing.

Under the Calcutta agreement, Pakistan has agreed to supply India with 175,000 tons of food grains during the 12 months beginning July 1, 1948. With the current food shortage it has been impossible for Pakistan to carry out this commitment. A favorable wheat crop next spring would not only greatly relieve the food situation in Pakistan, but would enable that Government to review this agreement and any commitment on the agreement would help to relieve the food shortage of India.

Burma, Siam and French Indo-China

Before the war these three countries were the largest surplus rice producers and exported over 6 million short tons of this grain. During the first post-war year (1946), exports declined to only slightly over a million short tons. Considerable recovery has been achieved since then, but it is unlikely that the crop year of 1948-49 will yield an exportable surplus of more than 2.8 million short tons.

Burma: Burma's post-war agricultural production progressed favorably until 1948. The rice acreage increased from a low of 7 million to 9.1 million acres and exports from an even greater low of only 480,000 short tons in 1946 to 1,300,000 tons in 1948. This is less than one-half of the prewar volume, but considering the extremely small volume of exports the year after the war was over, the stride forward was unmistakable.

Early in 1948 the Burmese Government established the following goals:

Year	Planned Acreage (acres)	Planned Exportable Surplus (in short tons)
1948-49	10,000,000	2.4 million
1949-50	10,750,000	2.7 "
1950-51	11,500,000	3.3 "
1951-52	12,000,000	3.6 "

The accomplishment of this plan, which aimed at a complete recovery of the Burma rice industry, was predicated on stable political and economic conditions. This has not held true, however, in the first year of the program. The period of planting coincided with the widespread Communist insurrection in the rural areas. Indications are that in consequence of the political unrest which has often assumed the form of looted rice stocks, burned villages and the terrorization of the farmers, the planted acreage is considerably below the goal, and is estimated between a low of 7.5 and a maximum of 8.5 million acres, and that exports may not exceed those of the previous year, or 1.3 million short tons. The retardation of rice production and exports in Burma will continue until such time as the Burmese Government succeeds in reestablishing political and economic stability in the country.

Siam: Before the war (1935-39), Siam normally harvested 3.3 million short tons of rice from 7 million acres and exported 1.5 million short tons. In 1948, exports amounted about 850,000 short tons, the harvested area and production being estimated at 7 million acres and 3.6 million short tons, respectively. The outlook for the 1948-49 rice crop is promising; weather conditions have been favorable and the exportable rice surplus is estimated at 1,375,000 short tons.

Siam is still short of regaining its prewar position as a rice exporter, An increase in population, lack of work animals, normally low yields and low prices paid to the farmers are the principal factors impeding the expansion of Siam's rice production. The low price to producers is particularly significant. In the final analysis, the Siamese Government is the purchaser of rice from the farmer and the exporter of this grain abroad. The rice export price in dollars received by the Siamese Government is approximately six times that of 1938, but the farmer receives for his rice (in terms of dollars) only twice of what he received in 1938. At the same time, commodity prices are 15 times over what they were in 1938. There seems to be, therefore, little incentive for the average farmer of Siam to produce much more than he really needs for his own consumption and for sale to meet his minimum basic requirements. The fact remains, however, that Siam has achieved a great deal of economic and political stability. Siam's yields can be raised and rice production increased beyond the levels of the 1930's. Economic measures furthering such aims could insure for Siam a position as a rice producer and exporter even greater than that before the war.

French Indo-China: In French Indo-China the recovery in rice production and exports has been retarded by political disturbances which have continued more or less unabated since the end of the war. Next to Burma, this country was the largest exporter of rice (an average of 1.6 million short tons in 1936-40), but the changes that have taken place in French Indo-China during and since the war have reduced sharply the planted acreage, production and exportable surplus. The degree of recovery in French Indo-China since the war has been much less than in Burma and Siam. In 1947-48, rice area was 10.7 million acres, production 3,700,000 short tons and exports 200,000 short tons, or 75, 73 and 12 percent, respectively, of 1936-40. The production of the 1948-49 crop is estimated at 3,780,000 short tons, and exportable surplus at about 200,000 short tons. Exports may rise, but much will depend upon the political situation, which still shows only few signs of improvement.

Ceylon and Malaya: Both countries concentrate on the raising of export crops such as rubber, tea and coconuts. They import the greater part of their food, which is mainly rice, and to a smaller degree, wheat. The 1947-48 rice crop of Malaya is estimated at 420,000 short tons, or an increase of 100,000 tons over that of 1946-47. This was due to a larger rice acreage and higher yields. Despite the rise in output, the present food situation shows no improvement over that of a year ago; in Singapore the ration has actually been reduced, beginning November 1, 1948. Political unrest, which has adversely affected rice procurement from rural districts, is the main cause of the reduced rations, Malaya's import requirements for the year 1949 are placed at about 900,000 short tons of rice and approximately 400,000 tons of wheat.

Ceylon's 1948 rice crop is estimated at 200,000 short tons, and imports amounted to about 400,000 tons. Production goal for 1949 is 250,000 short tons, but this presupposes a bumper crop. In the meantime, Ceylon hopes to import 630,000 short tons of rice in the same year. The expected rise in imports may be attributed largely to a more realistic estimate of next year's crop, as well as to the fact that last year's imports from Burma fell short of requirements.

Philippines: The food outlook for the Philippines in 1949 is favorable and supplies of rice should be sufficient at least until mid-year 1949, but in the past year the situation was characterized by rice shortages and high prices. Normally, the Philippines imported (1936-40) approximately 65,000 short tons of rice, but the 1947-48 crop of 1,730,000 short tons and the difficulties encountered in the distribution and marketing of rice necessitated the importation of about 150,000 short tons during the calendar year 1948. The preliminary 1948-49 rice crop is estimated at about 1,850,000 short tons in terms of milled. This holds promise of the largest post-war crop. Vegetables and fruits are in greater supply than prewar; fats and oils and sugar are in abundant supply with surpluses available for export, and a larger fish catch and a greater number of livestock available for slaughter may be anticipated.

Despite the prospect of overall improvement in the 1949 Philippine food situation, the country will probably require at least 50,000 short tons of imported rice in order to deal with the recurring shortages and approximately 200,000 tons of bread grains. Theoretically, the Philippines should be self-supporting in rice. A 10 percent rise in the normally low Philippine rice yields would take care of any possible deficit, and soil and climatic conditions favor an augmented production. It is highly questionable, however, if such an increase in yields will be achieved in 1949, and the Philippine Government has been very much concerned with a better distribution of rice and at more reasonable prices. With that in view, the Philippine Government has created a Rice Emergency Board. The Board will exercise control over all phases of the rice industry, beginning with the Government purchase of all rice at official prices, and ending with the distribution of rice at official prices.

Netherlands East Indies

The political unrest and virtual division of the country between the Federal area (Netherlands controlled) and the Republican part of the country make the evaluation of the food situation rather difficult. Before the war, indigenous production of rice, corn, sweet potatoes, peanuts and soy beans was sufficient to meet the requirements of Indonesia. On the basis of the available fragmentary information, it appears that while food production in 1948-49 is above that of the preceding year, it is about 10 percent below the average prewar production year of 1937. On the other hand, the population of Indonesia may have increased since the war from 70 to 73 Million.

The first official estimate of rice production during the calendar year 1948 in the Netherland's controlled areas of Java and Madura shows a production of 2,080,000 short tons, as compared with 2,270,000 short tons in 1937. The estimated total production of all of Java and Madura is estimated at 3,650,000 short tons in terms of milled, as compared with 3,050,000 short tons in 1947, and with 4,150,000 short tons before the war. Clearly, the output, even though an improvement over the previous year, is not sufficient to meet the existing requirements.

The question of food supply in Indonesia is primarily one of reduced rice production and the need of rice imports to make good the deficit in Java and Madura. The Republic controlled area has been more or less self-sufficient in food and there has been very little movement of foodstuffs either out of or into the area. Available information indicates, however, a serious rice deficit in 1949 estimated by the Republican Government at about 200,000 tons. Import allocations of rice for the Dutch controlled area in the calendar year 1948 were 257,000 short tons, and imports for the calendar year 1949 will probably range between 300,000 to 400,000 tons. Political unrest and insecurity, and smuggling of rice to Singapore, where the price of the grain is much higher than in Indonesia, complicate still further the food position of the country. To combat this situation, the Government has instituted anti-hoarding measures and has fixed wholesale and retail rice prices.

BRITISH DOMINIONS

The British dominions of Canada, Australia, New Zealand and the Union of South Africa are surplus producers of a wide variety of food products, most of which are sold to the United Kingdom under bilateral trade agreements. During 1948, weather was favorable for food production in all of the dominions, resulting in above average exportable supplies of most crops. Livestock production in most of the dominions during 1948-49, however, is expected to show little or no increase in production and exportable supplies over 1947-48 and some decrease may occur in Canada where livestock numbers are declining.

Canada

Grain production in Canada during 1948 exceeded all earlier predictions providing ample feed for livestock and leaving large quantities of wheat for export. Despite late seeding, floods and bad weather in some sections, it has been estimated that about 240,000,000 bushels of wheat will be available for export from the 1948 crop as compared to 196,000,000 of the 1947 crop. Of this amount, 140,000,000 bushels of wheat and flour are earmarked for United Kingdom on the basis of the four-year wheat contract still in effect between the two countries. A balance of some 100,000,000 bushels is expected to be available for export to other countries.

With livestock numbers in 1948 registering declines of from 4 percent for cattle to 20 percent for hogs, it is considered very likely that total 1949 meat production will fall short of the 2,300 million pound estimate for 1948. Total exports are also expected to drop below the 320 million pounds exported in 1948. The bulk of Canadian livestock exports during 1949 will consist of 160 million pounds of bacon on contract to United Kingdom and exports of live cattle, calves, sheep and lambs to the United States.

Dairy production in Canada has remained fairly constant during the past three years and it is anticipated that there will be little change in total output in 1949. Butter production is estimated at 280,000,000 pounds the same as 1948. A 3,000,000 pound increase in cheese production is predicted over the 87,000,000 figure for 1948, which was one of the smallest outputs of cheese for many years. No substantial increase in cheese exports is predicted as the contract with the United Kingdom for 1949 has been negotiated at 50,000,000 pounds--the same as for 1948. Egg production continues the downward trend from 1946-47 and is estimated at 370 million dozen for 1948-49. Again, no stimulus to this production has been given through the 1949 purchase agreement with United Kingdom which calls for 46,000,000 dozen as compared with 74,000,000 dozen in 1948.

Feed grains, available for export in 1948 are expected to be well above 1947 due to an increase of some 80,000,000 bushels in the oats crop, a 5,000,000 bushel increase in barley and substantial quantities of wheat. Exports of these grains were prohibited for a time in 1947 because of short

domestic supplies. This situation is further strengthened by the likelihood that domestic consumption will decrease as a result of the decline in livestock numbers as compared to 1947.

Australia

Latest information from Australia indicates that the grain harvest is progressing nicely and that the wheat crop will total approximately 195,000,000 bushels. Of this production, it is predicted that about 120,000,000 bushels will be available for export.

Special incentives have been given to the farmer during the past few months to increase the production of butter and cheese. First, was the Government guarantee of prices to producers to cover cost of production over the five-year period 1947-52, and second, a guaranteed export market to United Kingdom for exportable surpluses of butter and cheese over a seven-year period, ending in 1955. Dairy production showed a normal increase throughout the quarter ending in September, and it was predicted that with sufficient moisture during late September and October, still a greater increase in dairy output would result during the December quarter. As a consequence, the total production for July 1, 1948 to June 30, 1949, is expected to register some improvement over the 1947-48 period.

Pasture conditions on the whole have continued satisfactory during October, November and early December, with the exception of northwestern New South Wales. In this area, severe dust and sand storms have resulted in heavy casualties among sheep.

The over-all outlook for meat production for 1948-49 does not indicate any appreciable increase over 1947-48, estimated at 1,055,000 short tons or 39,000 tons less than prewar years. Droughts in parts of Queensland and New South Wales (and a meat strike in Victoria) are not expected to have any significant affect on lamb and mutton production until probably 1950. No substantial increase in pork production is foreseen in 1949 due to dissatisfaction in the contract price with the United Kingdom Ministry of Food for the year beginning October 1. The new price for all grades averages only 2-1/2 d. ($0.03) per pound above the price prevailing before October 1, which producers contend is inadequate to meet rising costs of production, except in wheat-growing areas where livestock and crop production are combined.

Union of South Africa

For the past two years Union of South Africa's agricultural output has increased to such a degree that the country now is practically self-sufficient in most of its food supplies, with the exception of such basic items as wheat, rice and milk. Although planting of the 1948-49 corn crop was virtually completed in December, lack of rainfall in parts of the Transvaal, Natal and Orange Free State are expected to detrimentally affect the growth of both corn and sugarcane in 1949.

Corn production in 1948 has been estimated at 113,000,000 bushels in comparison to a prewar average of 79,000,000 bushels for the period 1934-38. This favorable position in regard to corn will probably provide an exportable surplus of some 20,000,000 bushels aside from consumption requirements and substantial carryover as insurance against a possible poor 1949 crop. Wheat stocks have increased to such an extent in the past few months that all restrictions on the sale of bread and flour were removed as of November 1, while the flour extraction rate of 96 percent has been lowered for most bread manufacture to 80 percent.

The fats and oils situation, which was especially critical during the war and immediate post-war period, has changed to a very favorable position by the greatly maximized increase in production of such oilseeds as peanuts and sunflower seed during the past two years. As a result, raw materials have become available for a rapidly expanding new margarine industry.

Aside from corn, the only other foodstuffs produced in sufficient quantity for export are citrus and deciduous fruits and fish. Around 120,000 tons of citrus fruit, 45,000 tons of deciduous fruit, and 11,500,000 pounds of canned fish are expected to be available for export during the 1948-49 season, with practically all shipments being made to United Kingdom under the provisions of the $320,000,000 Gold Loan Agreement between the two countries. Substantial amounts of frozen lobster tails will also be available for export to the United States.

New Zealand

Weather and moisture conditions were favorable for pastures, seeding of spring crops, and general crop growth during October and November. With climatic conditions favoring all-year grazing, New Zealand makes an important contribution to the world food situation by exporting surpluses of meat and dairy products. New Zealand is a heavy exporter of meat, especially lamb, mutton and beef. Approximately 70 percent of total meat production enters into international trade, practically all of which is exported to United Kingdom under the terms of a bulk purchase contract. The present contract for pork expires in 1952, while other meat contracts are effective until 1955.

The Meat Board has estimated that total meat production for export during the 1948-49 slaughter year will be about 386,000 tons, as compared with 389,000 tons for the season ended September 30, 1948. Lamb and pork production in 1948-49 is expected to be lower than the 1947-48 output, while beef, mutton and veal production is expected to increase. As a result, total over-all meat exports during 1948-49 may decline somewhat.

The 1948-49 production of dairy products, the season beginning August 1, 1948, so far has indicated a possible record year. Butterfat production established new records for August and September and the high rate is believed to have carried through October. If average climatic conditions

continue to prevail, butter and cheese production should be somewhat higher than for 1947-48. Approximately 82 percent of the butter and 94 percent of cheese in New Zealand is exported. Under the terms of the current bulk contract with the United Kingdom, which will be in effect until 1955, all but 3 percent of the exportable surplus is expected to be shipped to Britain.

Other commodities produced in New Zealand in exportable quantities are dried peas and certain deciduous fruits. Production of dried peas has increased substantially above prewar levels. About 50 percent of the estimated annual production of 1,000,000 bushels is available for export. The British Ministry of Food has consented to the purchase of 1,000,000 cases of apples and 25,000 cases of pears from the 1948-49 production--providing shipping space is available. This represents a sizable proportion of the total apple production which is estimated from 2-1/4 to 2-1/2 million cases.

LATIN AMERICA

Food supplies in Latin America during 1949 will be excellent in some areas and short in others. In Mexico, Central America, and the Caribbean area, prospects for food production are generally favorable and considerably larger exports of sugar, cacao and bananas are expected from this area during 1949. Food supplies in South American countries, on the other hand, may be somewhat smaller due largely to the extensive damage to Argentine grain crops by droughts and frosts. The 1948-49 wheat crop in particular was sharply reduced and exports during 1949 will probably reach only half the prewar average. Exports of feed crops also are likely to be below average. Crops in Uruguay and Chile are promising and larger exports are likely but the increase will not offset the decline in Argentine exports.

In Brazil, exports of crops other than sugar and coffee are likely to be reduced by smaller production and by export restrictions that have been introduced to conserve domestic products to meet the high level of demand.

The outlook for food production in other South American countries is generally favorable, but domestic demand continues at a high level. This has reduced quantities available for export, and in food deficit countries imports have been restricted below the amounts desired by consumers because of shortage of exchange.

Mexico, Central America and the Caribbean Area

Harvests of corn, beans, rice, and sugar were excellent in 1948 in all the northern countries where the principal deficit items continue to be wheat flour and fats and oils. Cuba, of course, will continue to import to supply the major part of its domestic needs. The big food exports from the northern countries are sugar, bananas, and cacao. The Caribbean region will produce in the neighborhood of 8,350,000 short tons of sugar in 1948-49, of which Cuban output will account for 6,000,000 tons. This is almost 60 percent above prewar average production for this area. Cuba will probably have as much as 5,700,000 tons available above its domestic requirements from the 1948-49 crop.

Banana production for the export market continues to expand from the wartime low, the total estimated export for 1949 being 82,500,000 fifty-pound stems. This is still below the prewar average of 89,000,000 stems. Of the total, Mexico, Central America, and the Caribbean countries will probably furnish 66,500,000 stems. Cacao production is up somewhat from last year so that Latin America as a whole probably can supply from 350,000,000 to 400,000,000 pounds for the export market.

Production and supply of foodstuffs in Mexico in 1948 were sharply increased over 1947, continuing the upward trend of the past few years. Bumper crops of wheat, oats, sugarcane, pineapples, chickpeas, and

oilseeds, were harvested earlier in the year, and conditions were excellent for corn, beans, and rice. Food supplies during the consumption year 1948-49, therefore, will be good. Normal deficits will exist in wheat, and fats and oils, and malt barley, but little difficulty is expected with reference to importation of these items. Wheat import needs are estimated at 275,000 short tons, those for lard at 8,800 tons, and those for malt 13,200 tons. Smaller imports will be made of powdered milk, potatoes, fresh eggs, and other fats and oils.

Production of meat and lard during 1949 will be about the same as last year or slightly higher. Total supplies of meat for domestic consumption during 1948-49 are estimated at 468,000 tons. Larger exports of canned meat from the cattle surplus on northern ranges are a result of the foot-and-mouth disease quarantine on imports into the United States of live cattle formerly imported from Mexico.

The principal exportable surpluses of foods and feeds during the consumption year 1948-49 are estimated as follows: sugar, 165,000 short tons; canned meat, 83,000; rice, 44,000; chickpeas, 44,000; tomatoes, 110,000; bananas, 165,000; oilseed cakes and meals, 110,000 tons.

The 1948-49 sugar crop in Cuba presently estimated at 6,000,000 short tons, is somewhat less than the record crop of 6,700,000 tons harvested in early 1948. Practically all the exportable sugar from the 1947-48 crop has been disposed of. Present indications are that the current crop will be unrestricted by legislation, and that production will begin early in January. Although sugar prices were lower this past year, labor succeeded in maintaining wages at the high 1947 levels, and it now seems probable that wages may remain high during the 1948-49 harvest.

High food prices still reflect the shortages existing in the domestic food market, despite the record corn crop just harvested. The continuing world shortage of fats and oils makes it difficult for Cuba to import adequate quantities of lard and other fats. Imports of rice and wheat flour are also necessary, in addition to smaller quantities of processed milk and other processed foodstuffs. The new administration is placing many food products under price control and temporarily lowering the tariff duties on many imports in an effort to lower the cost of living.

Argentina

Argentina, as usual, will have ample supplies of food available for domestic consumption during 1949, though the reduced harvest of wheat this year may not allow her to enter the export picture as a significant supplier of that grain. The Government policy of paying below world prices to producers has been instrumental in reducing planted acreage of grains for the 1948-49 crop and unfavorable weather conditions have sharply reduced the acreage remaining for harvest and

lowered yields. Present estimates indicate the area sown to wheat as about the same or slightly below the previous year when 7,495,000 short tons were produced, with the output for this year estimated at only 5,000,000 tons. Barley may be considerably below last year's crop of 965,000 short tons but above the 1936-40 average of 542,000 tons. Oats and rye are both showing an increase in acreage, although production may not exceed 700,000 and 250,000 short tons respectively. The corn crop probably will drop to an estimated 4,900,000 short tons from over 7,000,000 tons in 1947-48.

Output of oil crops for 1949 is showing an upward swing over 1948 with the exception of flaxseed, which was cut by a serious drought in the major producing areas and a decline in acreage planted. Total area planted to sunflowers may increase by as much as 20 percent resulting in a rise in production to about 1,306,000 tons compared with the 909,000 short tons produced a year ago. A raise in the Government purchase price for peanuts to $7.00 per 100 pounds has caused a considerable increase in peanut plantings with estimates of production running as high as 205,000 short tons.

It now appears that during 1949 Argentina should have some 1,800,000 short tons of wheat, about 3,600,000 tons of corn, maybe 330,000 tons of oats, 275,000 of barley, and 40,000 tons of rye available for export. There should also be approximately 370,000 short tons of linseed oil; 85,000 to 110,000 tons of sunflower seed oil, and from 28,000 to 40,000 short tons of other oils, including peanut and cottonseed. Just how much of this surplus will enter foreign trade during the coming year will depend upon the price asked by the Argentine Government.

Production of meat in 1948 is estimated at 2,700,000 short tons. The exportable surplus for the year included some 525,000 short tons of beef, 105,000 tons of mutton, and 18,000 tons of pork. About the same amount of beef and mutton will be available in the year 1949. Pork, however, may show an increase to some 28,000 short tons.

Production of edible tallow in Argentina runs about 120,000 to 130,000 tons per year. Approximately 60 percent of this quantity is usually consumed domestically, leaving 40,000 to 50,000 short tons for export. Lard production is something like 20,000 short tons. Only a small amount is consumed domestically. Stocks plus production left a high of about 40,000 tons for export in 1948.

Argentina's deciduous fruit crop was greatly reduced by frosts last year but prospects for the 1948-49 crop are good, especially in regard to apples and pears. The export outlook, however, is unfavorable due to the current shortage of dollar exchange in Europe which has caused a lack of interest on their part in fruit purchases from Argentina. Brazil and the United States appear to be the only outlets for this season's crop.

Production and Export Prospects in Argentina

Commodity	Production: Average 1936-40	Production: 1947-48	Production: Estimated 1948-49	Export: Average 1936-40	Export: 1948	Export: Prospective Availability 1949
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Wheat	6,653	7,495	5,000	5/ 3,480	5/ 2,388	5/ 1,800
Corn	8,456	7,440	4,900	5,551	2,762	3,600
Oats	802	716	700	5/ 339	5/ 97	5/ 330
Barley	542	965	660	5/ 300	5/ 809	5/ 275
Rye	273	524	250	131	152	40
Flaxseed	1,667	926	590	1,430	--	--
Flaxseed oil	--	292	--	--	4/ 40	370
Sunflower seed	239	1,025	1,300	10	--	--
Sunflower seed oil	50	--	--	--	4/ 13	96
Beef and veal 1/3/	1,919	--	--	650	525	525
Pork 1/2/3/	122	--	--	26	18	28
Lamb and mutton 1/3/	189	--	--	54	105	100
Meat (total) 1/3/	2,230	1/ 2,700	--	730	648	653

1/ Calendar year.
2/ Excludes farm production of pork for farm consumption.
3/ 1934-38 average.
4/ January-June.
5/ Crop year December-November.

Brazil

In the principal consuming centers of the country, supplies of basic foodstuffs were below effective demand during most of 1948. The Government, in an effort to alleviate shortages in the domestic market, promulgated a law in late February to control foreign trade through export and import licenses. This law included all agricultural commodities except imports of certain essential foodstuffs. Wheat and wheat flour, by far the most important food import items, remained uncontrolled until August 3, when licenses were required for all subsequent shipments. The critical shortage of wheat and flour which has existed for several years and continued through the first half of 1948, was largely alleviated by heavy imports arriving after June.

Exports of food crops from Brazil during 1948 were the smallest in recent years. Outgoing rice shipments declined considerably from the record movement in 1947. Shortages of beans, manioc, and corn in the principal domestic markets resulted in sharp curtailment of foreign trade in these commodities. Inadequate supplies of meat continued to be a major problem throughout the country with the exception of Rio Grande do Sul. Export restrictions prevented the movement of beef in any quantity from all except this southernmost State. Because of inadequate transportation facilities, it was not possible to move sufficient quantities of frozen meats from the South to the heavy consuming centers of Central Brazil.

The production of edible vegetable oils increased by about 40 percent during the year as a result of a peanut outturn more than 5 times larger than the record 1947 crop. Cottonseed production, however, declined still further, amounting to only slightly over half the 1935-44 ten-year average. By the end of the year, edible oil stocks were sufficient to cause a considerable drop in prices.

Sugar supplies available for export are expected to reach an all-time high in 1948 following the record crops of the past two seasons. Because of adverse weather conditions and disease outbreaks, 1948 cacao marketings fell off by almost a third in comparison with the previous year. Only 33,000 short tons of rice from the 1948 harvest have been declared exportable by the Rice Institute of Rio Grande do Sul, an official agency which controls the marketing of this crop in that State. An estimated carry-over of 150,000 short tons from the 1947 harvest was shipped abroad during the first 3 quarters of 1948.

Chile

Exports of food crops from Chile during 1948 were substantially above those of the previous year. Foreign trade in pulse crops consisting principally of beans and lentils, indicated a tonnage of more than double the 1947 shipments. Owing to a considerable decline in planted acreage the outlook is for a substantial reduction in exports of pulses in 1949. Following a large wheat crop, negotiations are being made with several countries for the sale of wheat.

Because of adverse weather conditions in recent years, it has been necessary for Chile to import substantial quantities of wheat to supplement domestic production, but an expansion program is reported to have been so successful that some surplus for disposal abroad is expected following the next harvest. A further drop in lamb and mutton exports is in prospect for 1949, as a result of an upward trend in domestic demand which will probably force the diversion of a larger proportion of supplies for home use. Rice production has declined steadily since the War, with the result that exports during 1948 dropped to an insignificant level. A further reduction in acreage this year indicates that no surplus can be expected for next year.

Uruguay

The outlook for production of wheat, flaxseed and other crops during 1949 is promising. Wheat production is estimated at 440,000 short tons or about 10 percent below last year's record crop of 496,000 tons. A crop of this size should leave a surplus for export of about 55,000 short tons during 1949.

Both peanuts and sunflowers are showing a continued increase in production due to favorable domestic prices. Oils of both seeds are consumed domestically as a substitute for olive oil. Some difficulty was experienced last year in finding a market for the surplus of linseed oil and the Government was forced to lift its prohibition on the export of seed so as to dispose of the crop. Both flaxseed and wheat prices, however, are supported by the Government at a price profitable to the farmer.

Although meat still accounts for the greater part of Uruguayan exports, there is evidence of a gradual overall shift away from the production of beef cattle to agricultural products, dairying and wool production, which are considered more profitable industries. Exports of meat, mostly beef, for the first 9 months of 1948 were about 90 percent above those for 1947 or about 57,000 short tons but were still considerably below the prewar average.

CEREALS

The 1948 harvest of principal grain crops was favorable in nearly all important producing countries of the world. As a result, for the first time since the war, supplies and requirements of both breadgrains and coarse grains have been brought into reasonable balance--a balance that is associated with substantial improvement in the food and feed position of most countries. The increased production of wheat and rye has eliminated bread rationing in some countries. In others, the ration has been increased, quality improved, and the rigid controls of the previous year relaxed somewhat. The increased production of corn, oats, and barley will provide the feed grains needed for significant progress during the year in restoring the livestock industry and increasing production of livestock products in many countries.

The current balance in grain supplies, however, is a precarious one and large areas of the world are still dependent on current production, particularly of breadgrain. In other words, additional reserves of this basic commodity are needed to maintain current and increasing levels of consumption in deficit areas and to provide a reasonable safeguard against possible set-backs such as widespread adverse weather conditions.

Production

World production of breadgrains (wheat and rye) in 1948 is estimated to total about 209 million long tons, compared with 193 million tons in 1947 and 204 million tons, the 1935-39 average. The combined production of coarse grains (corn, oats and barley) in 1948 is estimated at nearly 262 million long tons, 18.5 percent above the 1947 harvest of 221 million long tons, and well above prewar production of 232 million tons.

The production pattern, by continents, is shown in the following tables.

Production of Bread Grains 1/

Year	Area or Continent							World total
	North America	Europe	U.S.S.R.	Asia	Africa	South America	Oceania	
	Thousands of long tons							
Av.1935-39	30,450	61,770	55,350	40,260	3,890	7,780	4,720	204,220
1946 ...	43,030	47,840	42,400	42,850	3,880	7,680	3,270	190,950
1947 ...	47,000	39,830	46,440	40,960	3,540	9,210	6,000	193,000
1948 ...	46,730	55,790	-	44,590	4,070	6,990	5,090	208,970

1/ Wheat and rye.

Production of Coarse Grains 1/

Year	Area or Continent							World total
	North America	Europe	U.S.S.R.	Asia	Africa	South America	Oceania	
	Thousands of long tons							
Av.1935-39	87,735	54,570	30,000	33,125	9,380	16,100	840	231,750
1946	120,790	41,250	15,070	31,505	8,760	14,995	780	233,150
1947	94,150	45,840	21,480	32,420	9,430	15,915	1,410	220,645
1948	130,540	49,925	-	33,210	9,895	13,385	940	261,875

1/ Corn, barley and oats.

A remarkable recovery was made in the 1948 production of wheat and rye in Europe over the almost disastrously low level of 1947. Production of 55.8 million long tons of wheat and rye in 1948 marks an increase of 16 million long tons over the reduced harvest of 39.8 million tons in 1947. In sharp contrast to the unusually severe winter of 1946-47, followed by drouth in the spring and summer of 1947, the past season was quite favorable generally and above-average yields per acre were the rule. This recovery is especially significant because Europe represents the world's largest deficit area, usually taking two-thirds or more of the wheat moving in international trade. Nearly all other areas also enjoyed favorable breadgrain harvests during 1948. Only in South America, where the harvest is now being completed, has production of wheat in 1948 declined significantly from that of 1947. This decline is attributed mainly to unfavorable weather conditions and to a low level of acreage in the important producing area of Argentina. Latest reports from that area on frost and drouth damage to wheat indicate that a downward revision of present estimates may be necessary when final returns are in.

As a result of the huge corn crop in the United States, together with relatively good crops of oats and barley in both Canada and the United States, 1948 world total production of coarse grains is of record proportions. Significant increases over 1947 are also shown for all other continents except South America and Oceania. Here, again, the reduced level of production in Argentina is largely responsible for the decline. Production of barley and oats in Australia, while below that of 1947, is above average.

Winter grain prospects in Europe and the United States are generally favorable at this time. Quantitative estimates of the acreage of wheat and rye sown in the fall of 1948 for harvest in 1949 in Europe are not yet available. Information received thus far, however, indicates that some increase in acreage may be expected. In the United States, the December 1 estimate of the Crop Reporting Board places the acreage of winter wheat seeded for harvest in 1949 at 61.4 million, 5 percent larger than the record 58.2 million acres seeded a year ago. Condition on December 1 was also above average, and another good crop was indicated if weather conditions are normal for the remainder of the season.

Requirements

Stated world import requirements for the year ending June 30, 1949, total about 31 million long tons of breadgrains and 12 million tons of coarse grains. This total compares with a stated requirement for the 1947-48 year of nearly 52 million tons, of which about 42 million tons were breadgrains.

The reduced stated requirement for 1948-49 reflects the marked recovery of grain production in the main deficit areas. It does not fully reflect the need for grain imports from the standpoint of nutrition. Whatever this need might be, however, it must of necessity be geared to world grain export availabilities. In the 1947-48 year, for example, it was obvious from the beginning that a stated import requirement of 52 million tons could not possibly be met. Taking into account the ability to finance grain imports, it seems evident that this year's reduced grain import requirement is still large enough to absorb effectively the quantities likely to be available for export.

Supplies

Based on present estimates of world availability, supplies of grain for export during the 1948-49 year, may approach the all-time record in 1928-29 when total grain exports reached 40.6 million long tons. The following table shows, by sources, expected availabilities during 1948-49 compared with actual exports during the preceding year.

World Grain Exports in 1947-48 and Estimated 1948-49 Export Supplies

Country	1947-48 shipments			1948-49 export supplies		
	Wheat and rye	Coarse grains	Total	Wheat and rye	Coarse grains	Total
	Millions of long tons					
United States	12.9	2.1	15.0	13.5	4.5	18.0
Canada	5.7	.1	5.8	6.9	1.1	8.0
Argentina	3.1	3.9	7.0	1.8	3.7	5.5
Australia	2.8	.4	3.2	3.2	.5	3.7
Others	1.7	1.9	3.6	1.6	2.2	3.8
World total	26.2	8.4	34.6	27.0	12.0	39.0

World supplies of grain available for export during 1948-49 are expected to exceed last year's total shipments by 5 million long tons, or nearly 15 percent. The extent to which these availabilities will be translated into actual exports, however, is not clear at this time. For example, of the estimated total world grain availability of about 40 million long tons, about 8 million tons is placed against the U.S.S.R. and Argentina. Grain exports this season from the U.S.S.R. (included with "others" in the foregoing table), will have to be more widely distributed than last year if the 1947-48 total is to be equaled. In 1947-48 the Soviet Union committed about 3.5 million tons of grain for export. Of this total, about 2.5 million long tons had been shipped by July 1, 1948, with a substantial share going to satellite countries. With increased production of

grain in those areas during 1948, however, import requirements will be less than a year ago. So far this season, agreements and commitments involving Soviet grain have been small and in total are well below last year's commitments of about 3.5 million long tons.

In Argentina, grain exports thus far in the marketing year which began July 1, 1948, have been at a reduced level. Damage to the 1948 harvest of small grains caused by unfavorable weather, will further reduce the importance of that country as a source of supply during the coming year. Only recently has the Argentine grain monopoly (I.A.P.I.) shown any tendency to adjust their price policy to meet the improved world supply position.

As in the past two years, supplies of grain for export from the United States during 1948-49 will approximate one-half of the world total. The export program announced for the nine-month period, July 1948 through March 1949, includes 15 million long tons of grain of which about 11 million tons is wheat and flour. The 1948 corn crop will also contribute substantial quantities of feed grain for export. In other words, the export program for all grains for nine months of the 1948-49 year equals total exports for the entire 1947-48 year--and that year marked an all-time peak for shipments of grain during a single marketing season. With the 1948 record of production in the United States, a program of this magnitude would still provide for a substantial increase in the combined carryover of all grains.

Above-average production in both Canada and Australia during the past year also will provide more grain for export during 1948-49 than was shipped during the 1947-48 season from those areas. In Australia, particularly, with a record crop of wheat in 1947 and the crop just harvested well above average, grain exports are substantially increased over preceding postwar years when unfavorable weather resulted in a sharply reduced level of production and curtailed supplies. Canadian supplies of coarse grain available for export are much higher than a year ago when drouth reduced production of feed grains to a level where domestic requirements were barely met.

RICE

The 1948-49 (August-July) world rice harvest is the largest since the war, 3 percent more than in the preceding year, and 98 percent of the prewar average, according to a preliminary estimate. Expressed in terms of milled rice, world production approximates 115,000,000 short tons compared with 112,000,000 the year before, and with 117,000,000 before the war (1935-36/1939-40).

Exportable supplies from the 1948-49 crop for export in 1949 are estimated at about one-half the prewar exports of 8,700,000 tons. A preliminary forecast of available supplies is 4,400,000 short tons, including shipments from Formosa to China, compared with about 4,000,000 tons in 1948.

The increase in exportable supplies compared with last year is due to an improvement in the rice production of the exporting countries of Asia, primarily Siam, and unexported stocks from the preceding year. Actual exportation during 1949 of these availabilities depends to some extent on the settlement of political disturbances, particularly in Burma.

Total availabilities in the countries of North America and Europe may exceed slightly the 1948 shipments. Those from South American countries, however, are expected to drop sharply below last year's exports. Deliveries from Egypt may approach the 1948 record.

Exporting countries

Siam, formerly the world's third most important exporter, is expected to be the primary source for rice exports in 1949. The 1948 acreage increased to over 90 percent of the prewar average, and weather favored the production of the largest crop since 1932, according to official statistics. Taking into account larger domestic requirements to meet the need of the population increase which has taken place since the war, the surplus for export is estimated at 1,375,000 short tons, or 88 percent of prewar exports. This compares with the shipment of about 850,000 tons in 1948, the largest since the war, and with 423,000 tons in 1947.

Before the war Burma was the most important exporter of rice, shipping more than one-third of the world exports. Until August 1948 that country showed the greatest promise for recovery toward prewar production and trade. Acreage had increased steadily, and yields per acre were good, with the result that about 1,650,000 tons were reported available for export in 1948. However, since August, political disturbances have restricted transportation and held up movement to ports. The result has been an accumulation of stocks in the interior of the country, and lack of rice at the ports for shipment abroad. The amount exported during 1948, therefore, was reduced to approximately 1,350,000 tons, a reduction of 300,000 tons below the amount reported to be actually available for delivery.

Officially the acreage of Burma's 1948-49 crop is reported to be about the same as that of last year, but representatives in the field report that continued civil disturbances have probably caused a reduction in plantings from 9,250,000 acres in 1947-48 to around 8,000,000 acres. With average-to-good yields per acre, the crop may be around 15 percent less than that of last year. Including some reserve stocks held in the hinterland, if Burma resumes normal conditions politically, the export supplies are not expected to reach the 1948 exports of 1,350,000 short tons, or 41 percent of the prewar average shipments.

Political unrest in French Indochina has retarded recovery of rice production and trade since the end of World War II. The 1948 exports are estimated at 200,000 tons, which is a sizable increase over the 75,000 tons exported in 1947, but is only 12 percent of prewar deliveries. The acreage of 1948 is believed to be slightly larger than in the year before, but a September typhoon in Tonkin Province seriously damaged the crops. As this region is normally barely sufficient in rice, some of its requirements will probably be drawn from Cochin Province, reducing the surplus there. Total export availabilities, therefore, from Indochina may not exceed those of the current year unless the political situation improves.

Export supplies from the United States may be larger than in the preceding year, as another record crop was harvested. Mexico, El Salvador, and Nicaragua also are producing large crops, and export supplies from that region may approximate 55,000 tons, the largest on record. Production in the Dominican Republic was considerably larger than the preceding crop which was reduced by drouth, and some rice may be available for export. Haitian production, however, was reduced by dry weather, with a result that a scarcity may exist rather than the relatively small export surplus which is usually available from that country.

Egypt produced a near-record crop, and taking into consideration the amount of supplies which will not be substituted for wheat flour, as they were in 1948 when bread grains were in short supply, the export availabilities are estimated at about the same as in 1948, when the record volume of 330,000 tons were shipped abroad. Madagascar's production has declined in recent years, and because of the political conditions there, rather than exporting, that country is now importing rice.

Not quite so large a crop was produced in Italy as in the year before. Exports in 1948 are estimated at 50,000 tons, and at least that quantity should be available in 1949.

Iran produced a large crop, from which exports are expected to amount to at least 45,000 tons. Reduced production restricted exports to only 17,000 tons in 1948, compared with average exports of around 65,000 tons. The major part of Iran's supplies usually are exported to the U.S.S.R.

Australia's acreage planted was expected to be slightly larger than in 1948, and exports may again approximate 20,000 tons.

Rice production statistics are not yet available for most South American countries as the acreage is now being planted and the harvest of the main crop will not be completed until July. Indications are, however, that the output will be less than the production of last year. Prices since 1947, which were considered unprofitable, have resulted in some decline in the acreage of South American countries. The shipment of all carry-over stocks during 1948 from the large 1947 harvests, combined with reduced crops this year, is expected to result in a sharp drop in export supplies of rice from the countries of that continent during 1949.

This is true especially in Brazil and Ecuador, the two most important rice-exporting countries of South America. Chile's 1948-49 acreage dropped sharply, and that country can no longer be counted upon to export rice. The availabilities from British Guiana probably will be as large or larger than in 1948. According to a trade agreement, the British West Indies will import all of these supplies.

Importing countries

The major part of the increase in world production of 1948-49 occurred in the importing countries of Asia. Weather generally has been favorable for rice production, especially in Japan, Korea, and the Philippines. Larger crops also are being produced in China, the Indian Union, Formosa, and Ceylon.

The countries having the greatest need for rice are those which had the largest imports before the war-- Japan, India, Ceylon, Malaya, China, and the Netherlands Indies. Production in these countries, with the exception of India and Pakistan, is not yet up to prewar levels. Population increases in some countries, particularly in Japan, also pose the problem of increased needs.

RICE (in terms of milled): World production and trade 1935-36 to 1939-40, estimated production and export supplies, 1948-49 a/

Continent and country	Estimated production		Apparent domestic disappearance	International trade		
				Prewar average		Export supplies
	1935-36 to 1939-40	1948-49 b/	1936-1940	Net imports	Net exports	1949 b/
	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons	1,000 sh. tons
Western Hemisphere:						
North America:						
United States	729	1,187	622	-	107	450
Mexico	59	107	50	-	9	45
Estimated total	924	1,526	1,140	332	116	505
South America:						
Brazil	971	c/	929	-	42	100
British Guiana	52	c/	35	-	17	25
Ecuador	50	c/	37	-	13	30
Estimated total	1,308	2,267	1,329	101	80	170
Total Western Hemisphere	2,232	3,793	2,469	433	196	675
Asia:						
French Indochina	5,039	3,938	3,429	-	1,610	175
Siam	3,356	3,938	1,793	-	1,563	1,375
Burma	5,489	3,622	2,221	-	3,268	1,300
China	41,318	37,170	41,729	411	-	-
Japan	9,385	9,072	11,331	1,946	-	-
Korea	3,083	d/2,421	2,022	-	1,061	-
Formosa	1,350	c/	641	-	709	e/ 400
Philippines	1,652	1,843	1,717	65	-	-
Malayan Union	427	c/	1,206	779	-	-
Netherlands Indies f/	6,960	c/	7,172	212	-	-
Indian Union	g/22,112	24,412	(32,290	(1,552	-	-
Pakistan	g/ 8,626	8,662	(	(		
Others	3,423	c/	4,589	1,095	30	45
Estimated total	112,200	107,500	110,100	6,060	8,140	3,305
Europe:						
Italy	550	453	382	-	168	65
Estimated total	777	780	2,053	1,446	170	65
Africa:						
Egypt	522	886	390	-	132	330
Estimated total	1,699	2,488	1,998	455	156	340
Estimated world total	117,500	115,300	117,200	8,400	8,700	4,400

a/ For countries of Asia and Africa, rough rice is converted to terms of milled at 70 percent, and for other countries at 65 percent. b/ Preliminary. c/ Statistics not yet available. d/ South Korea only. e/ Available for shipment to China. f/ Estimate for all Netherlands Indies. g/ Less than 5-year average.

Compiled in the Office of Foreign Agricultural Relations.

SUGAR

World production of beet and cane sugar for the 1948-49 season is indicated at 37,664,000 short tons (raw value), 11 percent more than the 33,869,000 tons produced in 1947-48 and 9 percent more than the 5-year (1935-39) average of 34,710,000 tons.

Major increases in Mexico, Europe generally, the U.S.S.R., India, Pakistan, the Philippines, Formosa, Java, Australia and Hawaii more than offset decreases in the United States and Cuba. The world prospective output (considering the production in India and Pakistan in terms of gur) is the largest on record and compares with the previous high produced in the 1939-40 season of 36,238,000 short tons. The large crop this season is notable because 3 important exporting areas, the Philippines, Formosa and Java, have not yet reached prewar levels.

The large supply of sugar for 1948-49 may again lead to distribution problems because of the shortage of foreign exchange. In 1947-48 the tight exchange position was relieved considerably by the Interim Aid Program, ECA financing, and purchases by the United States military authorities for relief feeding in the occupied areas. It is generally considered that the purchase of approximately 1,250,000 short tons of sugar in Cuba for the occupied areas prevented the accumulation of that quantity as carry-over stocks. As a consequence world stocks at the beginning of the 1948-49 season were of a nominal magnitude.

Although there is marked improvement--22 percent--in the production of sugar in the non-dollar exchange areas over that of last season, the supply of sugar in the dollar areas continues to be a relatively large proportion of the world supply. The Western Hemisphere again has prospective large supplies available for export, nearly as much as in the previous season, and the market has shrunk almost to the extent that production in the remainder of the world has increased. There probably will be some increase in consumption as some countries are abandoning and relaxing rationing of sugar, but this may be offset by increases in the availability of export sugar in other than Western Hemisphere countries.

In North and Central America, including the West Indies, present indications point to a total production of sugar of 11,285,000 short tons compared with 12,004,000 tons in 1947-48 and the 5-year (1935-39) average of 7,801,000 tons. In Mexico and some of the Central American and West Indian areas sugar production is expected to reach new-high record levels in 1948-49 but decreases are expected in the United States and Cuba.

Sugar production in South America as a whole is expected to total 3,151,000 tons in 1948-49 compared with 3,171,000 tons in 1947-48 and the 5-year (1935-39) average of 2,414,000 tons. A decrease in Argentina more than offsets slight increases in several other countries.

The European sugar beet acreage was increased materially in 1948 and growing conditions have been much improved over those of 1947. Consequently there are excellent prospects for a sharp recovery in beet sugar production over the levels of the last few years. For Europe as a whole (excluding the U.S.S.R.) sugar production now is indicated at 7,258,000 short tons compared with 5,038,000 tons in 1947-48 and the 5-year (1935-39) average of 7,408,000 tons. The favorable conditions this year has resulted in the production in many countries reaching prewar levels and in some it has gone above. Only in Austria and Germany does production remain substantially below prewar.

The non-producers, Norway, Portugal and Greece; the habitual importers of portions of requirements, the United Kingdom, Switzerland and Finland; and Austria and Germany are expected to be the chief importers of sugar in Europe in 1948-49. Some of these requirements are expected to be supplied by other European countries such as Denmark, Poland, Czechoslovakia and Hungary, and much is to be supplied by other non-dollar exchange sources such as dependent overseas territories, etc.

In the U.S.S.R., an increase in the acreage of sugar beets of about 19 percent was reported this year, which, with a slight improvement in yields, indicates a sugar production of 2,500,000 short tons. This is about one-fifth more than the 2,050,000 tons produced in 1947-48, but about 13 percent less than in prewar years. Although production continues to expand, imports from nearby areas also continue to be required.

In Asia, sugar production continues to recover from the wartime low levels. For the area as a whole, production in 1948-49 is indicated at 9,814,000 tons compared with 8,398,000 tons in 1947-48 and the 5-year (1935-39) average of 10,813,000 tons. Production in India and Pakistan, in terms of gur, is expected to be up about 10 percent over last year due largely to increases in acreages planted to sugarcane. In the 3 important exporting areas, the Philippines, Formosa and Java, production is expected to increase sharply this year, with the Philippines making the greatest progress. In the other 2 areas, many difficulties have beset the sugar industry and recovery is rather slow.

In Africa, sugar production is expected to total 1,586,000 tons in 1948-49 compared with 1,490,000 tons in 1947-48 and the prewar average of 1,295,000 tons. British East Africa, Egypt, and Mauritius all have prospects of record large crops this season. There also are good prospects in a number of other areas.

Australia has a good cane crop this season and production is expected to total 940,000 tons or more than the prewar average. Hawaii and the Fiji Islands also have excellent prospects. Sugar production for Oceania as a whole is indicated at 2,070,000 tons compared with 1,718,000 in 1947-48 and the prewar average of 2,092,000 tons. Thus it is likely that export availability will be greatly increased this year, a part of which normally goes to the United Kingdom and a part to the United States.

SUGAR (raw value): Production in specified countries a/
Average 1935-39, annual 1947-48 and 1948-49

Countries by continent	Average 1935-39	1947-48	1948-49 b/
North & Central America and West Indies	1,000 short tons	1,000 short tons	1,000 short tons
United States	1,994	2,208	1,850
Mexico	364	701	820
Cuba	3,183	6,675	6,000
Puerto Rico	974	1,108	1,200
British West Indies	324	340	393
Dominican Republic	491	465	490
Others	471	507	532
Total	7,801	12,004	11,285
Europe			
Czechoslovakia	721	386	700
France	1,059	734	1,070
Germany	2,122	c/ 862	c/ 1,480
Poland and Danzig	548	c/ 605	c/ 675
United Kingdom	527	518	630
Others	2,431	1,933	2,703
Total (excl. U.S.S.R)	7,408	5,038	7,258
USSR d/ (Europe & Asia)	2,887	2,050	2,500
Asia			
India e/	5,369	5,901	6,500
Pakistan e/	799	915	1,000
Formosa	1,202	328	500
Java and Madura f/	1,447	100	300
Philippine Islands g/	1,127	498	820
Others	869	656	694
Total	10,813	8,398	9,814
South America			
Argentina	480	668	600
Brazil	1,159	1,586	1,600
British Guiana	209	200	200
Peru	448	495	515
Others	118	222	236
Total	2,414	3,171	3,151
Africa			
Egypt	167	235	250
Mauritius	321	386	397
Union of South Africa	498	512	575
Others	309	357	364
Total	1,295	1,490	1,586
Oceania			
Australia	894	691	940
Fiji	143	157	145
Hawaiian Islands	986	870	985
Japanese Mandated Is.	69	0	0
Total	2,092	1,718	2,070
GRAND TOTAL	34,710	33,869	37,664

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service Officers, results of office research and other information. Estimates of countries having boundary changes have been adjusted to prewar boundaries except as noted.

a/ Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa, etc., where the season begins in May or June of the year shown.
b/ Preliminary. c/ Data not comparable with previous years because of boundary changes. d/ Includes Latvia and Lithuania. e/ Data for India and Pakistan are in terms of gur, a low grade of brown sugar. f/ Data for Java are for the calendar years following the years shown. g/ Includes centrifugal and muscovado sugar.

WORLD EDIBLE PULSE SITUATION 1948-49 1/

The 1948-49 aggregate world production of dry edible haricot and lima beans, peas, garbanzo beans (chickpeas) and lentils, in the major producing countries, is indicated to be more than 300 million bags of 100 pounds. This is 13 percent more than was produced in prewar, and is 7 percent more than the 280 million bags produced in these same countries last year. Most of the gain over 1947 was accounted for by a 10 million bag increase in haricots and 14 million in garbanzos. A modest increase also occurred in the production of lentils and supplies of all beans were considerably above prewar. On the other hand, dry pea production in 1948 was below both 1947 and prewar.

With world production up 13 percent from prewar and population up about 10 percent, the per capita supply over the world appears to be a little above normal for the 1948-49 season. However, when allowances are made for taste preferences for certain classes of pulses and for certain inflexibilities in the international trade in pulses, the supply demand picture is spotted indeed. For example, about 85 percent of the world's production and consumption of haricot beans is in Europe and the Americas. In Europe the 1948-49 crop is indicated at 12 percent below prewar. In the Americas it is up 20 percent. Eighty percent of the world's dry edible peas are produced in 22 Provinces of China where the 1948-49 crop is indicated at 7 percent below prewar. There is indicated a 30 percent shortage from prewar production in Europe. Ninety-two percent of the world's crop of garbanzos is reportedly 2/ produced in India and Pakistan where the 1948-49 crop is reported at 34 percent above prewar 3/. There is a 20 percent shortage in Europe. About 80 percent of the world's lentils are produced in countries bordering on the Mediterranean but lentil production is indicated at 20 percent above prewar.

Aside from the 7 percent decline in pea production indicated for China, the major shortage problem seems to exist in Europe where as already indicated haricot beans are down 12 percent from prewar, peas down 30 percent, garbanzos down 22 percent and lentils up 20 percent.

In aggregate the European 1948-49 crop of haricot beans, peas, garbanzos and lentils is indicated at 37 million bags. This is 9 percent above the 34 million bags produced last year but 16 percent less than the average prewar production of 44 million bags. Considering the 10 percent increase of population in Europe since prewar, in contrast to the 16 percent decline of edible pulse production, it appears that the per capita supplies, without imports from outside Europe, will be at least 26 percent below prewar.

1/ Excludes edible soybeans, cowpeas, broad beans and other of the minor kinds 2/ May include some beans other than the western type of garbanzos. 3/ Figures for India and Pakistan in later years may include areas not previously reporting which accounts for part of the sharp increase for 1947 and 1948.

There are exportable surpluses in the Americas and Africa and minor quantities elsewhere. But shortages of dollar exchange and an apparent European policy of purchasing supplies other than pulses with available dollars has for the past year retarded the flow, especially of haricot beans and peas, to Europe from the Americas. Indicative of this is the fact that in 1947-48 pulse consumption as a whole in the ECA countries of Europe was 40 percent below prewar standards. At the same time beans in the United States were wanting for a market.

This situation has every promise of being aggravated in 1948-49 because of the larger supply in both Europe and America, and because at present there seems to be no indication of change in trade policy or in supply of dollar exchange available for purchase of pulses. One factor in favor of greater trade this year is the substantially lower price of beans in the United States.

Dry Edible: Beans, peas, lentils and garbanzos, production by continents, prewar average, 1947 and 1948 1/

Bags of 100 pounds

Kind of pulse and continent	Production		
	Average prewar 2/	1947 3/	1948 3/
	1,000 bags	1,000 bags	1,000 bags
HARICOT BEANS 4/			
North America	21,532	25,749	29,755
Europe	24,147	16,487	21,206
Asia	6,761	4,495	5,597
South America	22,909	27,937	27,235
Africa	8,431	8,294	9,131
Total	83,780	82,962	92,924
PEAS			
North America	3,376	7,586	4,417
Europe	13,312	9,970	9,351
Asia	71,441	67,947	66,254
South America	474	799	790
Africa	534	885	1,075
Oceania	509	768	830
Total	89,646	87,955	82,717
LENTILS			
North America	22	35	40
Europe	2,092	2,787	2,948
Asia	892	1,070	1,000
South America	1,083	1,139	1,144
Africa	1,228	1,313	1,371
Total	5,317	6,344	6,503
GARBANZOS (chickpeas):			
North America	1,116	2,474	2,658
Europe	4,468	4,367	3,628
Asia	81,023	96,230	110,294
South America	309	302	220
Africa	750	737	1,233
Total	87,666	104,110	118,033
Total pulses	266,409	281,371	300,177

1/ Years shown refer to the year of harvest in the Northern Hemisphere and to the year of beginning harvest in the Southern Hemisphere. 2/ Five-year average (1935-39 or 1934-38) used for most of the important producing countries. 3/ Indicated. 4/ An effort has been made to include only the haricot and lima bean classes, but small quantities of other classes are undoubtedly included.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service Officers, results of office research and other information.

THE FATS AND OILS SUPPLY FOR THE YEAR, 1949

Production of fats and oils in 1948 is now estimated at about 20,800,000 tons, an increase of less than 2 percent over that of 1947 but a decrease of 4 percent from the prewar average. The 1948 output represents an increase of 4 million tons since 1945. The recovery of world fats and oils production has not been uniform. The increases have been restricted to certain continents, and the distribution of supplies varies considerably from the prewar period, but available supplies of both food and industrial fats and oils during 1949, in general, should be considerably greater than at any period since the war. Supplies available for international trade, although substantially lower than the 6,500,000 tons available before the war, are expected to exceed the 3,700,000 tons tentatively estimated for 1948.

These estimates of production and trade include expected production and movements of the edible vegetable oils, most important of which are cottonseed, peanuts, and soybeans, used almost entirely for food; the palm oils, particularly coconut oil and palm oil, a large proportion of which has gone into food uses since the war; animal fats for both food consumption and industrial purposes; marine oils; and oils derived from flaxseed, castor, and rapeseed.

Edible Vegetable Oils

The production of edible vegetable oils, a group which includes cottonseed, peanut, soybean, sunflower, olive, sesame, and rapeseed oils, is this year approximately 750,000 tons greater than it was during the prewar 5-year average but somewhat less than in 1947. Most of the increase over prewar is in peanut, soybean, sunflower, and rapeseed production. Increases over 1947 in North America occurred in cottonseed, peanut, and soybean production and were largely the result of expanded acreage and favorable weather. Some increase occurred in South America also. Better crops than in 1947 are expected in Europe and Africa. Production in Asia, almost entirely for domestic consumption, may not be as great as it was last year. The production of olive oil, particularly in the Mediterranean Area, is expected to be less than 50 percent of the exceptionally high production obtained in 1947, and this decrease offsets to a large extent gains made in other areas. The short olive-oil crop will undoubtedly result in smaller exports from the surplus olive-oil territories, but ample stocks of olive oil from the previous crops in nearly all olive-oil producing areas insure a normal quantity for consumption in these areas.

Supplies of the edible oilseeds available for international trade, which have been particularly low since the war, are not expected to exceed 50 percent of the prewar volume. This decrease in edible-oil availabilities for deficit areas results from the fact that the major proportion of the increase of edible-oil output was made in areas which do not normally export them. Exports of cottonseed and cottonseed oil have been declining over a period of years, and although the abundant oilseed crop in North America will permit some exports, the volume represents a small proportion

of the total oils available. Although the world production of peanuts in 1948 was at a record level, much of the production is due to expanded acreage and favorable conditions in the United States. The 1948-49 peanut production in Africa has improved considerably over 1947, and exports from West Africa should be considerably greater than at any time since the war. Exports from Asia, however, will continue to be limited by increased domestic consumption in producing areas and by the difficulties of moving the crop.

Almost half of the world's soybeans are now produced in the United States, but only a small proportion of the United States crop will be available for export. Supplies available from China (Manchuria), which formerly produced nearly all of the soybeans entering international trade, are uncertain and are not expected to be greater than during 1947. Production of sunflower oil has increased in Argentina, and if the harvest during the first part of 1949 is favorable, exports of this commodity should be greater than they were during the past year.

Palm and Coconut Oils

The production of coconut oil in 1948 was less than the output of the previous year, despite considerable improvement in many of the Pacific areas. The coconut groves in the Philippines were severly damaged by hurricanes in December of 1947, but unless further damage is incurred, production in 1949 should be better than in 1948. With continuing improvement in the copra and the coconut-oil situation in the Netherlands Indies and the Pacific Islands, the volume of coconut oil available for importing countries should be only slightly less than the prewar average.

Expanding palm-oil production in the Belgian Congo and in British West Africa, and the rapid recovery of production in the Netherlands Indies should increase the volume of palm oil for international trade. The production of palm kernels and palm kernel oil is expected to increase as the plantations recover their productivity.

The total volume of all palm oils for export in 1949 should exceed that of 1948 by more than 200,000 tons, but will be considerably smaller than for the prewar period.

Animal Fats

The world production of animal fats available for consumption, as such, should be somewhat better in 1949 with continued improvement in livestock production in Europe and the expected response in the United States to the abundant feed crops from the 1948 season. Exports of butter, primarily from the Southern Hemisphere countries of New Zealand, Australia, and Argentina, should exceed the restricted exports of 1948, and larger quantities should be available to other European countries from Denmark. Exports of lard, primarily from North America, may be greater than during 1948 as a result of the more abundant vegetable oil supplies there.

Marine Oils

The production of whale oil is limited by international agreement, and during the past three years, the quantity of whale oil, largely from the Antarctic expeditions, has been approximately 350,000 tons. The volume of fish oil varies considerably from year to year, and unless some fishing areas not fully exploited since the war are again brought into production, the marine oils available for consumption are unlikely to exceed greatly that of recent years.

Industrial Fats

The production of rapeseed oil is of primary importance only in Asia, where practically all of the crop is grown and consumed largely as edible oil. The 1948 crop should be approximately the same as in 1947, but oil available for international trade is confined to small shipments from Argentina, China, and India.

World production of flaxseed in 1948 exceeded that of previous years because of expanded areas and favorable growing conditions in the United States and Canada. Supplies are expected to be ample to meet requirements at present prices. In South America stocks have accumulated in the face of declining production, and with lower prices for substitute drying oils, demand for linseed oil has not been sufficient to move the quantities available. Production of castor-beans in Brazil has been high for the second successive year, and the quantity available for export should be equal to the volume of recent years. Tung-oil production has been increasing, particularly in North and South America. However, the quantity available for international trade will depend upon political developments in China, as this country supplies practically all of the tung oil entering international trade.

MILK AND DAIRY PRODUCTS

For the 1948-49 consumption year, supplies of milk and milk products will equal or surpass those for the previous consumption year in most areas of the world where these products are an important item in the diet. Late summer and autumn milk production in Europe was generally above that of a year ago. In important Southern Hemisphere producing countries, the output is generally favorable except in the case of Argentina, where the spring milk flow is well behind that of last season. Not much change from a year ago is expected in Canada and the United States. If anything, Canadian output will be slightly lower.

Some change has taken place in the utilization pattern for milk with the result that relatively larger quantities of condensed and evaporated milk are available. The wholesale price of these products remained high during the principal manufacturing months in the Northern Hemisphere and some diversion of milk from other products occurred. Relatively less butter, cheese, and dried milk has been produced, principally in the United States and Canada.

Milk and dairy products have been derationed in most of the Western European countries and some temporary adjustments have occurred in the utilization pattern. Where butter has been removed from the ration, some increase has occurred in the reported output. In general, however, the quantity of milk utilized in the fresh fluid form has been maintained at the relatively high levels of recent years. In some countries, considerable improvement has occurred in handling, transporting, and other assembling and distributing facilities so that urban populations are receiving larger and more regular quantities of fluid milk. Price adjustments for delivery by farmers in some cases have brought about a better distribution.

The heavy drain on supplies of dried whole milk and dried non-fat solids of the past two years has reduced availabilities to current producing levels. These, together with some diversion of milk to other products, result in dried whole milk and dried non-fat milk solids being in a relatively tight supply position compared with condensed and evaporated milk and cheese. Relatively larger quantities of the dried products could have found outlets in under-nourished areas if supplies had been available. In addition to problem areas in Europe, the demand for both dried and canned milk has been strong in most areas of the world where fresh milk is either not available or is of unsatisfactory quality. During and immediately following the war, such areas were supplied largely by the United States, but in the past year other suppliers are either regaining prewar outlets or developing outlets for enlarging production.

In general, requirements by importing countries for dairy products will be met and no significant deficiencies are anticipated through the remainder of the consumption year. The pattern of milk utilization in

most supplying countries, except the United States and Canada, is not expected to change materially over the next year. Argentina, however, may continue to increase the proportions of milk utilized as fluid milk. The trend in milk utilization in the United States and Canada will tend to determine th extent to which canned and dried milk products will exce d or fall below world requirements.

The United Kingdom, which is the major importer of dairy products, continues to obtain most of its import requirements through contracts with Australia, New Zealand, Canada and Denmark. These supplies are imported through Government control and part of the cost is borne by the Government with the consumer paying a stabilized price. Under such arrangements, a world market price for butter and cheese has not reappeared since the war.

MEAT

Meat production in the major producing countries of the world in 1948, exclusive of the Far East, is estimated to be somewhat below 1947, but considerably above 1946. The preliminary 1947 and 1946 production was estimated at 65.9 and 61.9 billion pounds, respectively, compared with 66.3 billion pounds, the average for the 1934-38 period. In 1948, production dropped off considerably from 1947 in North America, particularly in the United States and Canada, with slight decreases occurring in Europe, Oceania and the Middle East. Some increase, however, is believed to have taken place in the Soviet Union, and South America also showed some gains in Brazil and Uruguay.

Production of meat in North America in 1948, although below that of last year, is expected to continue nearly 35 percent above the 1934-38 prewar average. South America continues at about 16 percent above, and Africa and the Middle East also are somewhat above their prewar levels. Production in Europe is expected to be about 30 percent below prewar, and the Soviet Union is believed to be down about 10 percent, while Australia and New Zealand continue very near their prewar levels.

Exportable supplies of meat in 1948 originated principally in South America, Canada, Oceania and Europe, particularly in Denmark, Eire and Poland. Some supplies may have moved from other eastern or southeastern European countries and some of the Middle East countries. Data in regard to exports of meat in 1948 are available for only a few countries.

Barring unforeseen situations and given favorable conditions, world production of meat in 1949 is not likely to show a material increase, if any, over 1948. However, production can be expected to increase in Europe, the Soviet Union, Australia, Mexico and possibly in the Union of South Africa. Some decreases can be anticipated in Canada, United States, New Zealand and South America. Continuance of high consumer income and increasing populations in most of the principal meat producing countries can be expected to further reduce quantities available for export in 1949.

The 1948 domestic meat production in the United Kingdom, the principal world meat importer, is slightly lower than the 1947 output and over one billion pounds below the prewar average. However, significant increases in livestock numbers and a generally improved feed situation during 1948 can be expected to reflect a substantial increase in the 1949 domestic meat output. As a result, import requirements for meat in the United Kingdom in 1949 may be reduced below those of last year. It is also expected that larger import supplies will be obtained from sterling areas and in addition, obviously, substantial quantities will continue to be purchased from traditional suppliers and other non-ERP countries.

In Europe, all of the western European countries, except perhaps Belgium and Italy showed some reduction in their 1948 meat production from the previous year. Obviously, heavy slaughter in the late summer of 1947 and holding back of breeding stock since then curtailed meat production during the year. However, improved pastures in 1948 and a generally improved feed situation can be expected to further encourage livestock expansion in 1949. It is generally believed that meat production in eastern and southeastern Europe has improved during the year, particularly since Poland is attempting to reestablish its pork and ham export trade. Pork production in Spain and Portugal is also believed to be somewhat improved over recent years.

Favorable grain crops in eastern Europe in 1947 and more favorable growing conditions in the remainder of Europe in 1948 can be expected to be reflected in larger pork supplies in 1949. Cattle numbers, although believed to be showing an upward trend, will respond less quickly than hogs. Obviously, any increase in beef and veal production will require a longer period of time before such supplies can be very much augmented and any immediate improvement in the meat supply situation has to come from pork production.

Although the 1948 pork production in Canada was somewhat below 1947, the increase in beef and veal production more than offset this decline. The 1948 meat production, however, was about 1 percent below 1947 and within 11 percent of the record output of 1944. Holdover of livestock for slaughter to early 1948 because of the slaughterhouse strikes in the latter part of 1947, the removal of export controls on feeder and slaughter cattle and meat in August and higher prices were the primary factors that increased Canada's meat production during the year. However, as a result of decreasing livestock numbers and the unusually heavy exports of feeder and slaughter cattle and meat in 1948, it is likely that meat production in 1949 will be considerably below that of last year. Bacon exports to the United Kingdom, in all likelihood, will be reduced and beef exports may be much reduced or discontinued in 1949.

Although 1948 meat production in the United States was larger than prewar, it is smaller than either 1946 or 1947. High consumer income and high prices of feed in 1947 and in the first part of 1948 accounted for a heavy volume of slaughter in 1947 and 1948. Continuance of strong domestic

consumer demand for meat during the year has further taxed livestock inventories. Consequently, meat production in 1949 is likely to be below the 1948 level. Pork supplies are expected to increase, while beef, veal, mutton and lamb will decrease because of smaller inventories of live animals.

Meat production in South American countries showed a slight increase over the preceding year of 1947, particularly in Brazil and Uruguay. Intra-continental demand for live cattle and strong consumer demand in most of the principal meat producing countries have materially reduced exports to the United Kingdom and other European countries in 1948. Generally, prospective production for 1949 is not likely to exceed 1948, although some increases may be anticipated in Uruguay and a few of the smaller countries. If present economic conditions continue, it is not likely that 1949 exports will be much, if any, larger than those of 1948, and unsatisfactory price policies in several South American countries, near drought conditions in portions of Argentina, and a general lack of foreign exchange, and local regulations may possibly discourage future expansion of the livestock industry.

Although the 1948 meat production in Oceania fell off slightly from 1947, the exportable surplus in New Zealand exceeds the prewar level and Australia's exports remain near prewar. If present drought conditions continue or become worse in Queensland, the Australian production in 1949 is likely to increase over 1948. From present indications, it appears that New Zealand production may remain at the 1948 level.

MEAT 1/: Production and net trade prewar, and estimated production and probable export supplies 1948

Country	Prewar 2/				Estimated 1948	
	Production	Exports net	Imports net	Apparent consumption	Production	Exports
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
Canada	1,417	168		1,223	2,323	320
Mexico	698		1	699	1,054	120
United States	16,182		65	16,303	21,300	
Cuba	309		4	313	400	
Austria	617		13	630	350	
Belgium	693		48	741	480	
Bulgaria	337	6		3/ 331		
Czechoslovakia 4/	912	5/	5/	912	750	
Denmark 6/	1,006	534		472	690	160
Eire	336	71		265	340	
Finland	254	5		249		
France	3,684		48	3,732	3,040	
Germany-Bizone	3,510				7/ 1,770	
Greece	195		3	198	150	
Hungary	538	14		524		
Iceland						
Italy	1,542		115	1,657	7/ 1,290	
Luxemburg						
Netherlands	894	65		829	400	
Norway 7/	223		2	225	185	
Poland 8/	1,598	100		1,498		
Portugal	290	5/	5/	290	250	
Rumania	657	6		651		
Sweden	649	16		633	635	
Switzerland	419		17	436		
United Kingdom	2,725		3,380	6,105	1,650	
Yugoslavia	888	22		866		
Soviet Union	7,292		3	7,295		
Turkey						
Argentina 9/	4,459	1,460		2,999	5,400	1,300
Brazil 10/	2,331	213		2,118	2,570	75
Chile	349	18		331	375	20
Paraguay 10/11/	87	16		71	195	20
Uruguay 10/	571	324		247	500	175
U. of S.Africa	671		6	677		
Australia 12/	2,094	496		1,598	1,941	495
New Zealand	1,024	592		432	13/ 1,174	13/ 748

1 Carcass meat basis - includes beef and veal, pork, mutton and lamb, goat and horse meat. Excludes edible offal and lard. 2/ Prewar average is for years 1935-39 for United States, Canada and Sweden, 1936-38 for New Zealand and United Kingdom, 1946 for Czechoslovakia, and 1934-38 principally for others. 3/ Includes Southern Dobrudja. 4/ Excludes Ruthenia (Sub-Carpathian Russia). 5/ Less than 500,000 pounds. 6/ Includes c.w.e. of live cattle exported. 7/ Year beginning July 1. 8/ Includes prewar territory. 9/ Excludes farm production of pork. 10/ Excludes fat production. 11/ Beef and veal only. 12/ Year beginning July 1 for prewar average. 13/ Year ending September 30.

FISH

The fisheries can be expected to contribute increased quantities of fish to world food supplies in the coming year. Exchange problems are hampering the movement of fish in international trade and combined with a larger catch may result in actual surpluses in principal producing countries and the flooding of the accessible markets.

Increased supplies of fresh fish in many food deficient areas have lessened the need for imports. With the exception of Germany, Italy, and Japan, war ravaged fisheries have generally attained or exceeded their prewar output. Major producting countries who developed their output during the war to provide food to deficit areas are finding it increasingly difficult to market at capacity.

Absence of fishing activities for several years off the European coasts resulted in a large increase in fish population and in large catches immediately after the war with less effort and less equipment than in prewar. In 1948, signs of reduced abundance were noted and attributed to overfishing.

Greater quantities of fish were available in 1947 and 1948, especially in areas of short food supply such as Europe. In 1947, production in Europe (except USSR) totaled 5 million metric tons as compared with, 1946 production of 4.2 million and, an average prewar catch of about 4 million tons. Further additions to the fleet were made in 1948 and production has continued to increase. European vessels are fishing the Grand Banks of Newfoundland and other offshore areas in increasing intensity and contributing to food supplies to France, Spain, Portugal, and Italy.

In the Pacific, the Japanese catch is reported at 2.5 million metric tons as compared with 1.9 million in 1945 and 3.5 million tons prewar. While Russian production is not known, it can be assumed to be greater than prewar and is potentially capable of further expansion through utilization of fishing areas obtained from and formerly exploited by the Japanese.

United States production has remained about the same throughout the war and postwar period. Canadian production which ranged from 400 to 500 thousand metric tons prewar, reached 550 to 625 tons in the postwar period. Newfoundland and Labrador produced 377 thousand tons in 1946 and 278 thousand tons in 1947 as compared with 60 to 70 thousand tons in prewar.

While an increase in fish canning is reported in some areas, many countries, among these principally France, Spain, French Morocco, are not yet producing at full capacity because of their inability to obtain sufficient oil and tinplate.